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Legislative Assembly of Ontario

Second Session, 40th Parliament

Assemblée législative de l'Ontario

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Official Report of Debates (Hansard)

Wednesday 11 September 2013

Journal des débats (Hansard)

Mercredi 11 septembre 2013

Standing Committee on Public Accounts

Committee business

Comité permanent des comptes publics

Travaux du comité



Chair: Norm Miller
Clerk: William Short

Président : Norm Miller
Greffier : William Short

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 11 September 2013

Mercredi 11 septembre 2013

The committee met at 0904 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Norm Miller): I'd like to call the meeting to order. We've got a bit of a change in committee membership, so I want to welcome our new members. On the government side, Bill Mauro is now a member of the committee and Lorenzo Berardinetti is now a member of the committee. We look forward to their participation in the work of the committee.

Also the big change since we last met is we now have a new Auditor General of Ontario. I'm pleased to welcome Bonnie Lysyk as the new Auditor General of Ontario. She was formerly the Auditor General for the province of Saskatchewan, so we're really pleased to have Bonnie taking over here and look forward to working with her. I will pass it on to her and let her introduce herself a bit to committee members.

Ms. Bonnie Lysyk: Thank you, Mr. Chair. Good morning, everyone. I'm really pleased to be here and to be able to work in Ontario and serve you as your Auditor General.

A number of you I think I have met in Regina, so I'm really pleased to see you again. I'm glad that you enjoyed your time, I believe, in Regina. Just for the benefit of others, we hosted the conference that the auditors attend as well as the members of PAC committees across Canada. I think we had about 100 people in attendance so it was a really good conference. I hope that everyone who attended in Canada benefited from the information that was shared.

I look forward to working with a great group of people in my office, as well as in the public sector here, so I'm really happy about that.

Just to give you a little sense of my background for those of you who don't know, I did spend the last two and a half years in Saskatchewan. Previously, I was the deputy provincial auditor in the province of Manitoba, so I've worked in the legislative audit community for a fair bit. I have the comparison of three provinces now, which is kind of interesting.

Before that, I worked with Manitoba Hydro for 10 years. In my last position there, I was assistant to the president. I understand everyone is waiting for the Oakville report. My electricity background is coming in a little bit handy now. I also worked for the liquor board as

the head of internal audit, so a couple of crown corporations there.

Just to give you a little bit of background on what I do besides being an auditor, I serve on the Canadian actuaries professional conduct committee. I'm one of two non-actuaries serving on that committee. That is quite interesting, to compare that to the CA profession.

Again, I'm a CA, MBA, certified internal auditor. My beginnings were with Coopers and Lybrand, now PricewaterhouseCoopers. I haven't just audited; I actually was CFO of an insurance company, and I worked as a vice-president of a large pension fund, so I've got a little bit of different background, there.

But my passion is working in the legislative community and doing this type of work, because I do think that, as auditors, we do give back, I believe, to the public sector and to the citizens of the province. So I look forward to working with the members here and bringing forward some really solid reports.

First week: I have with me Gary Peall, who is the assistant auditor general and has been acting for the last few months. I just want to say thank you to Gary for keeping things going. He's been a lot of good help this past week, so that has been wonderful. Gary and I go back a bit; we have met over the years in various forums.

I think you'll probably ask me one thing, and I might as well just put it on the table in terms of, "Where are all these reports that are coming?" I'll just make mention very quickly that we do plan to issue the Oakville report probably by mid-October; the ONTC, we're looking for by December, sometime then, before the end of the year; and OLGC, at the latest, January.

With that, thank you very much Mr. Chair, for the opportunity to speak a little bit. I look forward, again, to working with the committee and yourself down the road. Thanks.

The Chair (Mr. Norm Miller): Thank you very much, Auditor, and we look forward to working with you. It's certainly a very impressive background, and there's a lot of work being done by the Auditor General right now. So I'm sure there's lots to catch up on in a very short time.

There were a couple of motions that were filed right at the end of our sitting in June, so we're going to move to those. Do we have a mover for one of them? Ms. Munro?

Mrs. Julia Munro: Yes, thank you very much. With the indulgence of the committee, I'd ask that we flip the

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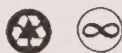
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There were a couple of motions that were filed right at the end of our sitting in June, so we're going to move to those. Do we have a mover for one of them? Ms. Munro?

Mrs. Julia Munro: Yes, thank you very much. With the indulgence of the committee, I'd ask that we flip the

number, so if the second motion could be the first motion that's read.

The Chair (Mr. Norm Miller): Sure, that's fine.

Mrs. Julia Munro: Okay. The motion reads as follows:

I move that: What was the original cost and the "new total" cost of revisions to collective agreements signed with the Elementary Teachers' Federation of Ontario, the Ontario English Catholic Teachers' Association, the Ontario Secondary School Teachers' Federation, and the Association des Enseignantes et des Enseignants Franco-Ontariens that were signed and/or renegotiated after January 2013, and after Bill 115's repeal.

The Chair (Mr. Norm Miller): And Ms. Munro, could you please read the beginning of the motion, too, the first line?

Mrs. Julia Munro: I'm sorry: The committee requests of the Auditor General to undertake the following audits and analysis. Sorry.

The Chair (Mr. Norm Miller): Thank you. Do we have discussion on this motion? Ms. Jaczek?

Ms. Helena Jaczek: Certainly, Chair. The government, of course, is committed to open and transparent dealings with the public. Much of the information in relation to this agreement has been made public. I suppose we would wonder if this is, with all the commitments that the Auditor General has in terms of reports coming forward, the best use of her time. However, we're certainly very comfortable in having all this information come forward and be public.

The Chair (Mr. Norm Miller): Very well. Ms. MacLeod?

Ms. Lisa MacLeod: Thanks very much, Chair. If I heard correctly, that means the government will vote with this PC motion, and I would very much welcome that.

As you know, for the past year, I have been trying to get information on what the true cost has been with these negotiations. I think that it is very important for me, as the official opposition critic on education, to have those facts in order to do my job. But it's also very important—more important, I think—for the public to know truly what has happened precisely because last year school was interrupted, and there seemed to be an enormous amount of public rancour with respect to two of the major unions.

There have been a variety of other deals that have been signed, for example, with OECTA, AEFO and CUPE. And then, of course, when the government went back to speak with OSSTF and to ETFO, there were "me too" clauses. We simply don't know what some of these costs are. In the Toronto Sun today, a senior education source from one of the major school boards suggested that this could be as high as \$500 million. I'm certainly tracking something close to that. I think it's well within the public interest that we have that information so we all may make our own decisions on whether or not this can be afforded at this time and whether or not that money has been moved from kids' activities in the classroom, which is certainly something that we've expected.

I look forward to receiving support from all parties for this open and transparent request. That is something that my colleague, Ms. Jaczek, has just suggested they are prepared to do. I would call on the NDP as well. This is actually something that is very much in the public interest, something in the public good, and it's something that I've been asking for in the Ontario Legislature since literally last Easter. That Easter Sunday is when the OSSTF report first became available. I've looked at that contract. It is my estimation that the one deal alone with OSSTF is \$114 million. We know the deal with ETFO on the extra 2% was \$112 million. With those "me too" clauses for CUPE, AEFO and OECTA, we're looking at something that I would seriously suggest is well in the neighbourhood of \$500 million.

Earlier, before I arrived here, I had a school board chair from southwestern Ontario call me to ask me to continue to push for this. I want to make that commitment to those in the education sector that I will try to continue to find the true costs of this so that we know that every dollar being spent in education in Ontario is directed to the benefit of our students in the system and not chiefly to make peace for a government that had a very rough year.

I respectfully request that my colleagues become engaged in this process in the spirit of transparency and openness, and also for accountability so moms and dads will have the confidence that the tax dollars they send to Queen's Park are being directed in the best interests of their children who are in our Ontario school system.

The Chair (Mr. Norm Miller): Thank you. Mr. Singh?

Mr. Jagmeet Singh: Thank you very much. Mr. Chair, I believe that what we had initially received and the notice of motion currently are somewhat different, and so for that reason, we just need a 10-minute recess to review this. We'll be able to make our decision on that just after a brief recess, if that's possible.

The Chair (Mr. Norm Miller): Okay, you're asking for a 10-minute recess.

Mr. Jagmeet Singh: Yes.

The Chair (Mr. Norm Miller): So we'll have a 10-minute recess, then.

The committee recessed from 0914 to 0924.

The Chair (Mr. Norm Miller): We're back in session now. I'll go to Mr. Singh.

Mr. Jagmeet Singh: Sorry, my colleague would like—

Ms. Cindy Forster: First, I have a question. When we came in here today, we actually had different motions. Am I assuming that those original motions are gone?

The Chair (Mr. Norm Miller): No, the ones that were sent out by the Clerk are the ones that are on the table. What you may be confused by: On the agenda, it's just a synopsis of the motion; it's not the actual motion. The motion that was sent out is exactly as it is here.

Ms. Cindy Forster: So we're dealing now with the motion with respect to the Elementary Teachers' Federation of Ontario?

The Chair (Mr. Norm Miller): That's correct.

Ms. Cindy Forster: I want to start by saying that the NDP as well believe in open, transparent, accountable government. I think that the Auditor General's office has a lot more issues that are much more important on her plate. Collective bargaining has been happening in this province for probably a hundred years. Are we moving somewhere where we're going to review every public sector or every collective agreement that falls under our jurisdiction to see whether we're getting value for our money?

I think that this is really just a veiled attempt by the PC caucus with regard to their attack on public sector unions, and unions in general in this province. This is a way for them to get information that they can actually use against a union such as the teachers' unions in this province, as well as other public sector unions. Those are my comments on this issue.

The Chair (Mr. Norm Miller): Thank you. Ms. Jaczek?

Ms. Helena Jaczek: I won't necessarily dispute what Ms. Forster has said about the motivation behind this particular motion. However, I would like to perhaps clarify again for Ms. MacLeod a little bit of what has already been made very clear, I think, by our Minister of Education. Certainly, any amendments to current contracts fit within the existing funding envelope for the Ministry of Education, and there is no new money added to the current two-year collective agreements.

Obviously, there have been some complications in terms of understanding the financing. However, I think it's worth noting that there is a 0% salary increase for the remainder of the current collective agreement, and \$1.8 billion were achieved in savings while protecting investments in the classroom. I know that Ms. MacLeod is very concerned about that; we share that concern. It includes a one-time savings of \$1.1 billion as a result of the elimination of banked sick days, and this saved the province \$250 million in 2012-13, growing to \$540 million in 2013-14. We have been able to provide boards with \$160 million to assist and support them with implementing the agreements, and we've done all of this while still maintaining \$1.8 billion in savings.

In summary, we have been very open. The minister has made these figures public. However, should it be the wish of the committee to have the Auditor General look at these numbers—and we believe very strongly we'll validate these numbers—we're perfectly prepared to support this motion.

The Chair (Mr. Norm Miller): Thank you. Further comments? Ms. MacLeod?

Ms. Lisa MacLeod: I really want to say thank you to my colleagues in the government for this. I really do take exception to what my colleague in the third party said. She knows as well as everybody else here that I have been pursuing this for a year. I speak as a mother of a child in a public elementary school who did lose days from her classroom last year. I did stand up in the assembly since last year talking about the collective agreement

at the time that was imposed, and then the one that was amended, despite us being told that it would not be amended.

There are real and legitimate concerns from school boards across the province who are concerned that the money that will be moved to salaries, benefits and other gratuities will be taken away from front-line classroom care for our students.

At a time when we have unprecedented students failing in math; at a time when, in the city of Toronto, you look at the possibility, as we did last year, that programs like music and arts could be cut; at a time when there are a number of portables in schools in my community of Nepean, in Barrhaven, when a school just opens—up to 23—we have to ensure that the money that we spend in the education sector, the second-largest priority of this government and any other government in the province of Ontario—that those dollars are spent wisely, that those dollars are accounted for and that those dollars are respected, because moms and dads who are working across the province right now—many whom I know, because I have a child in the education system—don't really have a lot of extra money. So we can't continue to have new spending on the government credit card, because we're going to end up paying for it in the long run even more.

I do take exception to what my colleague in the third party said, but I'm not surprised. I understand that they would not like us to review this. However, I think it is in the best interests of parents, teachers who want to teach, and students, and I'll continue to stand up for them as I have.

0930

I want to thank, in advance, my colleagues from the Liberal caucus who will join with the PC caucus in supporting this. I think that is an important message to send. I would appeal once again to the NDP to understand that this is a significant cost if it indeed is the case that the senior school board representatives are suggesting. I want to thank the auditor in advance for her taking this on.

I would be interested in us moving swiftly to a vote on this matter.

Mr. Mike Colle: I have a question.

The Chair (Mr. Norm Miller): Yes, Mr. Colle.

Mr. Mike Colle: This is giving me some food for thought, here. I can see what the members of the official opposition are trying to do. I guess they could be commended for trying to bring some transparency to these important negotiations and outcomes and contracts. I think the public has every right to know what the agreements are, because they're so large and complex. So I think that is not a bad thing.

The thing that I'm concerned about, though, is that we have a pretty long-standing tradition of sort of a hands-off approach to the collective bargaining process in this province. It has been here for over 100 years. I'm just wondering, by introducing the Auditor General into the collective bargaining process here, what precedent we're setting.

I know it's the stated, clear program of the Conservatives to eliminate unions, eliminate the Rand formula. We know that, and that's very clear. What I would like to see, if possible, before we proceed on this—and as I've said, generally, I think it's a good thing to give the public more information about these complex agreements—is if we could get some kind of commentary or some kind of input from the Ministry of Labour, or a legal opinion in terms of whether there is some kind of safeguard we can take to ensure we're not impinging on the traditions, and the implications that this might have on the collective bargaining processes in this province.

That's the sensitivity that I think—because I don't think this has been done before. I mean, we can check and see, if we can get some information, if this has ever been done in the province of Ontario before, where there has been a review of the Auditor General of collective agreements that have been agreed to. Can we find that out? I'd like to have that information.

Secondly, is it possible to get either a legal or a labour opinion on this review that has been proposed by the official opposition?

The Chair (Mr. Norm Miller): Thank you for your comments, Mr. Colle.

Ms. MacLeod?

Ms. Lisa MacLeod: Sure. Thank you very much. I just wanted to respond to a couple of points, because I do appreciate them, with the exception of just a couple of things that I think he misconstrued, and I know my colleague Rob Leone will want to pick up on this.

Our characterization of eliminating the Rand formula: I don't think that's part of our party's platform, but I guess it's simply convenient for them to use this.

I want to point out, because I was deeply involved in Bill 115 and no one else around the table actually was, that Bill 115 was when the government of Ontario, under the Liberal caucus, brought forward legislated contracts with OECTA and AEFO, and eventually CUPE signed on. That was actually unprecedented: The government of the day legislated a contract.

At the time they brought that in, they did allow movement up the grid, but they said it wasn't a wage increase. We supported it at the time, because it was as close to a legislated wage freeze as possible, but we did have our concerns with it. There was a \$300-million hole in that plan to begin with, so I think it's valid—because it was legislation that was brought in by the government—for the auditor to review that.

Secondly, I make this point: I think that this might be a unique circumstance, but it was because of the legislation that was brought in, and then the subsequent repeal of that legislation and the reopening of those legislated contracts that are within the public interest for the auditor to review. This is also nothing new. We've asked in the past for other issues like this—not exactly like this—to be reviewed by the auditor, simply so it's in the public interest.

Now, my interest here is simply this: We know that there was a \$300-million hole in the initial legislated con-

tract. I know that because I looked through the numbers. We had third party groups validate those numbers and look at those.

Then what happened was the legislative agreement passed, and we supported it, because the Liberals put it forward. Then we had stoppages in our schools. We all had rallies outside of our offices. I certainly served my fair share of hot chocolate to striking teachers, which was fine; they had the right to do that once. They brought the province to a brink.

I remember, and I'll tell you why: I was driving from my hometown of Ottawa to Toronto one evening, and the Ottawa-Carleton District School Board was planning to shut the schools in Ottawa the Friday because there was going to be an illegal walkout. I remember very precisely the Ontario Labour Relations Board working with the teachers and the government at the time. I remember those press conferences. I remember the strife in our schools. I remember the parents' anger and I remember the teachers' discomfort. I remember that very early morning when the Ontario Labour Relations Board said if there was a walkout it would have been illegal, but schools were still cancelled the next day, and parents across the province were stranded. Okay?

Dalton McGuinty then decided that it was time to leave, and you chose a new leader, which is fair; that happens in politics. But what ended up happening, Chair, at the time, if memory serves me correctly, is that at 5 o'clock on Easter Sunday, I got word from the media that the contracts had been renegotiated, that OSSTF had signed a deal. They dealt with new retirement gratuities, they dealt with new maternity rules and they dealt with other issues. That price tag started to accumulate, and it looks like it's \$114 million.

At the same time, the New Democrats were asking a legitimate question in the House about whether or not the Toronto District School Board could continue to maintain its music program in the schools. I remember this because I was the education critic. Those are real and legitimate issues. They are issues that moms and dads across the province were stressed out by. I know this because I'm a parent myself and I talk to parents and I see what's happening.

At that time, we then understood that ETFO was also going to renegotiate. They chose a different path. ETFO chose instead to make up for a 2% pay increase that they had not received when the other unions did. At the time, they ended up, much later, about a month or two later, obtaining a deal with the government of about \$112 million. That threw two other school associations into a bit of confusion because they had "me too" contracts with their teachers, whether that was OECTA, AEFO or CUPE.

There are a number of unknowns, and what I'm simply suggesting here today is to look at the numbers within the education budget and to make sure that that money is already existing there. If it is costing us an extra \$500 million, then prove that to me.

I have been on this for over a year. I have been on this because it is in the best interest of the students of our province, the teachers who teach within the process, and the parents who are sending their tax dollars to Queen's Park and expect three things. They expect their kids to be safe when they're at school; they expect their kids to be able to read, write and do math; and they expect that they are going to have the best teacher in the classroom.

What they do not expect is to have their tax dollars sent to Queen's Park and have collective agreements legislated, then reopened, then changed, and at the same time watch their school boards face very tough decisions because of scarce dollars where they have to make a decision on which school gets rebuilt or which school gets an extension, which program gets to be maintained in the classroom, which program gets cut, who gets the textbooks this week, who doesn't. These are all choices that we have to make with a deficit.

I am simply saying, and I'm appealing to members of this committee: Just do the right thing. Help us obtain the numbers, help us obtain what's happening with these collective agreements, and let's move on and allow the auditor to do her job.

I appreciate the support I'm expecting to receive from the government, and I look forward to reading what that report is. Thank you.

The Chair (Mr. Norm Miller): Mr. Leone.

Mr. Rob Leone: I'd like to call the question, please.

The Chair (Mr. Norm Miller): Any further comments? Mr. Colle.

Mr. Mike Colle: I think the member from Ottawa-Nepean—

Ms. Helena Jaczek: Nepean-Carleton.

Mr. Mike Colle: —sorry, Nepean-Carleton—just proved my point. All she's talking about is the collective bargaining process and all the intricacies of this contract and trying to ask for the Auditor General to basically intervene, in her role, into this process. That is unprecedented. She just proved my point.

0940

We can talk about the impact. We all know the impact of education disruptions. I remember my four kids were in the schools when, every second day, the schools were locked down—

Mrs. Laura Albanese: So were mine.

Mr. Mike Colle: —hundreds of days locked down. I didn't hear any kind of empathy from—I remember the government at that time; I know the Chairman was there. The schools were locked down for a year. We went through hell—sorry to use that language. So let's not talk about the impact on kids today. We went through incredible trauma in our schools—our kids, our families—right across this province.

Mr. Rob Leone: It still doesn't matter.

Mr. Mike Colle: Well, it doesn't matter to you. It matters to people. They don't want to go through that again.

As I said, I agree that there should be some kind of clarity to the costs and the implications. I do not disagree

with that. What I do worry about is the very clear statement by the member from Nepean-Carleton about this whole collective bargaining process, how it worked, how it didn't work and the intricacies of it; and asking the Auditor General to be part of this process now. What are the legal implications, the implications on labour?

I just want us to be careful, and I don't mind going there to get the clarification. But let's just take a pause and ask for some information, even if the auditor talks in private with legal counsel or with the Ministry of Labour, because these are very, very delicate things that could really impair the government's ability to bargain collectively. So let's just check and make sure; that's all I'm asking for.

The Chair (Mr. Norm Miller): Ms. Jaczek.

Ms. Helena Jaczek: I would just like to say, could we have a response to some of Mr. Colle's concerns?

The Chair (Mr. Norm Miller): Thank you for that. I was just about to ask the auditor and/or the deputy auditor, not wanting to put the auditor on the spot on her first day on the job, about the motion itself, whether you have any concerns with it? Maybe you can also talk about when it might be done, workload and that kind of thing, and if similar audits have been done in the past, if there are any concerns.

Ms. Bonnie Lysyk: Thank you, Mr. Chair. With respect to the motion and the way that it's worded, it's worded in such a way that we would look at the original cost and the new cost of the agreements, and do it from a financial perspective. We're basically talking about looking at the use of public monies under two scenarios.

Under our act, we do believe that we can do this specifically to the cost component and look at the use of public money. Really, at the end of the day, the report would say, "Here's what the original cost was. Here's what the new cost was," and just lay that out on a factual basis without interpreting whether that's right or wrong. Under our act, we believe that that is possible.

In terms of information, as you're likely aware, under the Auditor General Act, any information that's provided to the office in the conduct of our work is considered confidential, and the working papers are confidential. If there was any information that was considered sensitive to a negotiation that's taking place, that would remain confidential within our working papers. But based on the way I'm reading the motion, looking at original costs compared to new costs, the focus of our audit would be specifically on that.

In terms of time, as you're probably aware, there is a lot on the plate from now up until the December report is tabled, which has quite a few other chapters and other topics in it. The office wouldn't be able to start on this this year. Having said that, if it was the will of this committee to go forward with this motion, we would be able to conduct the work, if it passed in this committee.

The Chair (Mr. Norm Miller): Thank you for that clarification. Are we ready to vote, then?

Mr. Mike Colle: Just one other question I had: Has this ever been done before?

Ms. Bonnie Lysyk: There has been work in the office in terms of comparisons of scenarios. In talking with my colleague here, there hasn't been a comparison of one contract to another done. The specifics of this one haven't been conducted by the office before, but the office has done work where we're looking at costs and comparing them to alternative scenarios.

Mr. Mike Colle: Have you looked at collective bargaining agreements before?

Ms. Bonnie Lysyk: That's what I was just indicating. In terms of a specific collective bargaining agreement, one point compared to another, that specific scenario has not been done by the office in the past, correct.

The Chair (Mr. Norm Miller): Okay. All in favour of the motion? Those opposed? Abstaining? Okay, it's carried.

We will move on to the next motion. Who would like to move that? Ms. Munro.

Mrs. Julia Munro: I move the following motion: The committee requests of the Auditor General to undertake the following audit and analysis: What is the total cost of the May/June 2013 collective agreement signed between the LCBO and OPSEU?

The Chair (Mr. Norm Miller): Discussion? Debate? Ms. Jaczek.

Ms. Helena Jaczek: The government is certainly very mindful, again, of the desire for openness and transparency, but in this particular case, I guess we'd also like to emphasize that the AG has a very full plate, and the LCBO is perfectly prepared to make the details of this collective agreement public at this time, and I'm prepared to do that.

We're also aware that the Auditor General has the ability under the Liquor Control Act to examine the accounts and financial transactions of the LCBO and that they shall be looked at, I believe, on an annual basis. So that ability is already there. However, perhaps to avoid the need for this motion and a special report done on this particular situation, I can certainly be—I'm ready to read in the details of the agreement, as we have learned of them, from the LCBO. The LCBO, of course, is an arm's-length agency, a crown agency, but they are prepared to go public. So perhaps that might satisfy the official opposition.

The Chair (Mr. Norm Miller): Who would like to comment from the opposition or the third party? Mr. Leone.

Mr. Rob Leone: When would the LCBO be releasing that? Do you have a time frame?

Ms. Helena Jaczek: We can give you details today. I'm not sure what their timetable was, but we have the information.

Mr. Rob Leone: Can we have a five-minute recess? Is that possible?

The Chair (Mr. Norm Miller): Certainly. A five-minute recess.

The committee recessed from 0948 to 1013.

The Chair (Mr. Norm Miller): Okay. I call the committee back into order. Ms. Munro?

Mrs. Julia Munro: Yes. I would like to withdraw the motion that I made earlier.

The Chair (Mr. Norm Miller): Okay, very well. That motion is withdrawn. Ms. Jaczek?

Ms. Helena Jaczek: I would like to make a motion, Mr. Chair.

The Chair (Mr. Norm Miller): Please go ahead and read it in.

Ms. Helena Jaczek: I move that the Standing Committee on Public Accounts requests that the LCBO make the total costs of the LCBO-OPSEU May/June 2013 agreement publicly available by Monday, September 16, 2013.

The Chair (Mr. Norm Miller): Very well. Any discussion? Mr. Singh.

Mr. Jagmeet Singh: Yes, please. I would ask for a 20-minute recess. I understand that would take us to question period, and we'll discuss this at the 12 o'clock slot that we have for public accounts.

The Chair (Mr. Norm Miller): It's 12:30.

Mr. Jagmeet Singh: Oh, 12:30. Sorry.

The Chair (Mr. Norm Miller): Right. Okay. We'll have a 20-minute recess.

The committee recessed from 1015 to 1233.

The Chair (Mr. Norm Miller): Okay, we're back in session.

Jagmeet seems to have switched sides.

Mr. Jagmeet Singh: I've crossed the floor officially.

The Chair (Mr. Norm Miller): This morning when we broke, Jagmeet, you'd asked for a 20-minute recess—

Mr. Jagmeet Singh: Again, I apologize for the inconvenience.

The Chair (Mr. Norm Miller): You have the floor now. So go ahead, Mr. Singh.

Mr. Jagmeet Singh: Yes. We were discussing the motion. I think that my discussion may become moot in a moment. I understand there might be another procedural step that might be taking place. But before that, if that does happen, I'll just put my comments on the record.

I think that, with respect to the motion to obtain the cost for the LCBO-OPSEU collective agreement, it's my position that this information is something that's going to be released, I understand, by OPSEU anyway. It's not something that's contentious for them to release. I don't think that it's a proper use of our legislative powers here in committee to demand it when it's something that's going to be released anyway, I understand. So I don't think that it sets a good precedent in terms of the use of this committee's powers.

The Chair (Mr. Norm Miller): Are there further comments? Ms. Jaczek.

Ms. Helena Jaczek: From the government's perspective, we obviously wanted to be open and transparent, as we've said many times today. In order to accede to the request by the official opposition, we simply put forward our motion in response to their motion.

As Mr. Singh has said, we anticipate that this information will be in the public domain very shortly. So if

there's a wish to defer this motion, that would be fine with us.

The Chair (Mr. Norm Miller): Very well; thank you. Ms. Munro?

Mrs. Julia Munro: Thank you very much. I want to just begin by saying how much I appreciate the government taking the position that they have. Obviously, we certainly appreciate the willingness to provide the information and continue on a theme of that kind of transparency. I would ask that we have the opportunity to defer the decision on your motion until next week's meeting.

The Chair (Mr. Norm Miller): Is there unanimous consent to allow this to be deferred? Agreed? Okay; it's deferred. Very well, thank you.

I think the next thing that we can talk about is that Ray McLellan of legislative research has been working very hard on getting to all of you the interim report number 2 on Ornge air ambulance and related services.

I think you've just received that, so I think we're going to go into closed session to discuss our next moves with that.

We are in closed session.

The committee continued in closed session at 1239.

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Also taking part / Autres participants et participantes

Ms. Bonnie Lysyk, Auditor General
Ms. Lisa MacLeod (Nepean–Carleton PC)

Clerk / Greffier

Mr. William Short

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Mr. Ray McLellan, research officer,
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Deuxième session, 40^e législature

Official Report of Debates (Hansard)

Wednesday 18 September 2013

Journal des débats (Hansard)

Mercredi 18 septembre 2013

Standing Committee on Public Accounts

Special report, Auditor General:
Ornge Air Ambulance and
Related Services

Comité permanent des comptes publics

Rapport spécial, vérificateur
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Chair: Norm Miller
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 18 September 2013

Mercredi 18 septembre 2013

The committee met at 0903 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Norm Miller): I'd like to call the meeting to order.

The first order of business from the last meeting was that there was a motion put forward by Ms. Jaczek with regard to the LCBO/OPSEU May/June 2013 agreement. Since that time, we have received information from the LCBO. I believe everyone received an email. The email states, "An answer to the standing committee's question about the costs of the recent LCBO agreement with its unionized staff is available on the LCBO website in the FAQ section of the media centre," and the link to that. It looks like the questions have been—

The Clerk of the Committee (Mr. William Short): If you flip the page, the question is actually there.

The Chair (Mr. Norm Miller): Okay. Sorry, yes. I believe you all have this, so you can see the response to the question there.

I think the auditor would like to make a comment on this as well. Go ahead, please, Auditor.

Ms. Bonnie Lysyk: Thank you, Mr. Chair. With respect to this, we are the attest auditors of the LCBO. During the normal attest audit, we would be looking anyway at the costs associated with the agreement because we have to know that for setting up liabilities and that. I guess we could suggest that we do this during our normal attest process just because we have to, and if there was anything, I could bring it to the attention of this committee, but that's at your choice. Like I say, we're going to do the attest audit anyway, so it is something we look at.

The Chair (Mr. Norm Miller): Yes, Ms. Gélinas?

M^{me} France Gélinas: To the auditor: When does that process of doing attest take place?

Ms. Bonnie Lysyk: It would be after their year-end.

M^{me} France Gélinas: Okay.

Ms. Bonnie Lysyk: So it would likely be next year.

The Chair (Mr. Norm Miller): Ms. Jaczek.

Ms. Helena Jaczek: I would simply say I'm very pleased the LCBO has done this, and I would suggest that it satisfies the requirement of the official opposition to know the total cost. So, obviously, I'd be prepared to withdraw my motion if that is the procedural way we do this.

The Chair (Mr. Norm Miller): Sure.

Ms. Helena Jaczek: But we need to hear from the opposition.

The Chair (Mr. Norm Miller): Very well. Mr. Klees?

Mr. Frank Klees: Well, I'm not so sure that this answers the question. This gives us no detail in terms of what these costs are. It speaks to the current year's cost, but there's no indication here what the total cost over the term of the contract is. I just think this is a very simplistic response that doesn't at all answer the question that we were hoping to get answered. That's my first point.

Second, and this is to the auditor, my understanding is that the LCBO is required to file an annual report with the minister, and then that annual report is to be tabled with the assembly. Unless there's information that I don't have, that we have not been able to find, my understanding is that the LCBO is two years behind in filing that annual report. We can find no trace of an annual report having been filed. Certainly, it's not publicly available. It should be posted; it's not. The last annual report that we see is for the fiscal year 2010-11. That puts them now two years behind filing an annual report.

I find it difficult to understand how, first of all, the auditor can do the appropriate audit without the annual report being filed. I find it highly, highly questionable why the LCBO would be so delinquent in filing those annual reports. I would like to see this committee contact the LCBO and ask those questions. Where are those annual reports? Why have they not been filed? And perhaps another question is, why has the government, why has the Minister of Finance, been satisfied to simply allow that kind of what I consider to be, quite frankly, recklessness on the part of one of these government agencies? Perhaps the auditor could comment.

Ms. Bonnie Lysyk: With respect to your point on the attest, you can conduct the attest audit without the annual report because you're actually auditing the financial statements. An auditor gets the annual report and looks to see whether the wording in the annual report is reasonable in light of the audit of the financial statements. So that's the extent of involvement with the annual report, per se.

I will follow up on the status of the annual reports. I'm not familiar right now—day 12, so bear with me here—but I'll follow up and find out what the delay is in the annual report filing. But I do know that the attest audits

are completed separately than the preparation and tabling of the annual report.

Mr. Frank Klees: Thank you.

The Chair (Mr. Norm Miller): Mr. Barrett?

Mr. Toby Barrett: Yes, thanks, Chair. Frank and I are playing catch-up as well. I don't think you were here last Wednesday, either.

I appreciate the motion to determine the total costs of this agreement. I'm also interested in finding out if there are any savings in this agreement. I'm interested in something more than just a bottom-line statement of the costs.

0910

Even looking at this missive from the LCBO—I just have one page here; it's a Q&A. The last question says, "I sampled a wonderful bottle of Burgundy wine while I was in France. The LCBO doesn't carry it, so how can I get it?" I don't know whether they hand this out in the stores; it's obviously public knowledge, but I would think we need, perhaps, something in more detail. I'm surprised that that last question is there.

With respect to savings—again, from the media, I understand that there was a 0% wage increase in the first year and a 0% wage increase in the second year, but our finance minister indicated that they are providing the province with a dividend of \$1.6 billion. Now, was that part of the OPSEU company negotiations, or is that referring to taxes, which has got nothing to do with wages, pensions, perks and things like that?

I have some other questions. I find that there's always confusion with respect to the general public—with respect to how much their government agency is costing them. Oftentimes the union message is, "Well, we made a billion dollars for the government." Well, that's taxes. That 86% tax on a bottle is going to be there regardless of what the full-time employees are making or the part-time employees are making, so I would just hope that we could get a bit more detail on this.

We know this government is committed to balancing the books, and if this agreement was an increase in costs without any savings, I would have some concerns there. It does get confusing when you talk about taxes on the product versus other administrative savings or efficiencies that were made in their operation.

The Chair (Mr. Norm Miller): Yes, thank you for that. Ms. Jaczek?

Ms. Helena Jaczek: Clearly, our motion that we put forward last week was in direct response to the official opposition's motion, and I would like to confirm with the Clerk that the original motion that you put forward was the exact same wording.

What you asked for were the costs of the agreement, and what we have provided—in response to Mr. Klees, clearly the LCBO has given the total net costs of the new agreement over the four-year term at \$20.16 million. That has been responded to. We were simply reacting to your request, and we have satisfied the request that you made last week in your original motion.

Mr. Toby Barrett: We've received this from the LCBO. It might be useful to maybe get information from the union to see how they have worded this. Maybe they were able to find some savings for their employer.

It's a one-pager; I haven't had time to read it, but I would think—for the public and for us—it would be worth having a bit more detail. I know that in the budget there was talk of comparing public sector wages, salaries and pensions to the private sector; this could be a no-brainer. We could take a look at the Brewers Warehousing corporation and see what they pay their employees and how their pension set-up is, or how much it costs the LCBO to market their product through the package stores—the convenience stores. Some of those comparables, I think, would be valuable just to determine whether we're getting value for money from government workers putting the bottles in bags.

The Chair (Mr. Norm Miller): Ms. Gélinas?

M^{me} France Gélinas: The comments get wider and wider reach as they go. My initial comment when I raised my hand was that I would support it, but then the AG answered why there is a delay in filing their annual statements, and then the AG said that they would.

The second one as to, were there savings in the collective agreements, collective agreements are public documents. Any of us can go get a copy of a collective agreement, compare it to the last one that they signed, and you will see the wage scales and you will see the benefits. Anybody can read those documents. So this information has always been there and will continue to be there. Collective agreements in Ontario are public documents.

Then came the trying ourselves to do a value-for-money audit and comparing. I would say we either direct our AG to do an audit of the value for money of the LCBO—I wouldn't want to pick and choose areas of if we direct our AG to do a—if we decide to do this, then we decide to do this, but so far, that's not what the conversation had been about. I'll leave it at that.

The Chair (Mr. Norm Miller): Very good points there, France. Yes, I think the discussion is getting way beyond what the actual specifics of the motion are, so it may be that that is the correct way to go.

Yes, Mr. Klees?

Mr. Frank Klees: Chair, I'm satisfied with that. What I would like to do, though, is just to narrow this down to the issue that I raised about the annual report. I'd like to just put on the record the section of the Liquor Control Act, which is subsection 7(1), which reads as follows:

"The board shall make a report annually to the minister upon the affairs of the board, and the minister shall submit the report to the Lieutenant Governor in Council and shall then lay the report before the assembly if it is in session or, if not, at the next session."

I simply would like to know why the LCBO is not in compliance with what is very clearly a legislated directive. The auditor has taken it upon herself to follow up on that. I look forward to getting a report on that.

The Chair (Mr. Norm Miller): Very well. Ms. Jaczek?

Ms. Helena Jaczek: I would certainly welcome that as well. I think we can rely on the Auditor General to give us the follow-up that's required.

The Chair (Mr. Norm Miller): So are we satisfied that this motion—are you going to withdraw this motion?

Ms. Helena Jaczek: I will withdraw it.

The Chair (Mr. Norm Miller): Okay, the motion is withdrawn.

We are going to go into closed session to talk about Ornge.

The committee continued in closed session from 0918 to 1230.

SPECIAL REPORT, AUDITOR GENERAL:
ORNGE AIR AMBULANCE
AND RELATED SERVICES
AIR BRAVO CORP.

The Chair (Mr. Norm Miller): I'd like to call the committee to order. We're resuming our public hearings on Ornge Air Ambulance. Our first witness this afternoon is from Air Bravo Corp.: Rick Horwath, president. His legal counsel, Major-General Richard Rohmer, is here with him as well. Welcome, both of you.

Just to confirm that you received the letter for a witness coming before the committee.

Mr. Rick Horwath: Yes, I have.

The Chair (Mr. Norm Miller): Very well. There's an oath of witness which our Clerk will have you swear.

The Clerk of the Committee (Mr. William Short): Good afternoon, Mr. Horwath. If you could just put your right hand on the Bible in front of you, please. Thank you. Do you solemnly swear that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. Rick Horwath: I do.

The Clerk of the Committee (Mr. William Short): Thank you.

The Chair (Mr. Norm Miller): Thank you. You can take up to 10 minutes for an opening statement, and then we'll have about 20 minutes each for the three parties to ask questions.

Mr. Rick Horwath: Ladies and gentlemen, good afternoon. I am Rick Horwath, founder, president and CEO of Air Bravo Corp., the largest air ambulance service provider to Ornge and the citizens and taxpayers of Ontario.

I have been directly involved in the air ambulance industry for over 17 years, with over 15,000 flight hours to my credit as a pilot. Air Bravo began its operation in 2001 out of a base at Elliot Lake with one twin-engine piston aircraft. At that time, I was the pilot, chief pilot and director of ops and held many other positions with Air Bravo in order to ensure that Air Bravo was a safe, efficient, productive and growing company. With perseverance, practicality and excellent staff, Air Bravo grew into the enterprise it is today, in that Air Bravo has

operated as many as 10 advanced turbine aircraft from five strategically located bases in Ontario and employed in excess of 90 highly trained staff at our peak.

Our primary focus has been and still continues to be on air medical patient transfers, a specialty which I can categorically and confidently state that Air Bravo and my excellent staff perform with unparalleled expertise and productivity. Air Bravo has supplied over 30,000 injury-free flight hours in direct service to the air ambulance industry of Ontario. By way of example, Air Bravo has achieved a platinum rating for three years in a row as determined by Ornge's own safety auditor, Argus International, while Ornge themselves have never risen above a gold rating. Air Bravo has also enjoyed a good relationship with Transport Canada, with many successful audits and no enforcement actions needed to remain compliant.

Initially, as with all standing agreement carriers, Air Bravo was administered and dispatched directly by the Ministry of Health. This arrangement was an efficient and mutually beneficial one in which the patients were safely transported by an aircraft and a flight crew, including qualified flight paramedics, all provided by the private sector, which was specifically in direct response to the need and care level deemed appropriate by the Ministry of Health. In my opinion, the checks and balances inherent in that system always ensured quality medical care which was governed and regulated by the MoH, at a fair and reasonable cost due to the nature of the competition of the free enterprise system.

In or about 2006, with the advent of Ornge, this arrangement ceased to function. It was instead replaced by a bloated bureaucracy more concerned with politics and the building of an empire with spinoff for-profit companies, while operating under the hypocritical guise of nobly providing an essential medical service to the citizens of Ontario. In my view, this has proven to be a marked disservice to the citizens of Ontario and all standing agreement carriers that had been delivering valuable and efficient services, both publicly and privately, for many years, all of which was to the benefit of the Ministry of Health and the taxpayers of Ontario.

One of our first glimpses into things to come shortly after Ornge's establishment was their issuance of a request for information. This request, or RFI, was for the provision of all information related to the operation of an air ambulance operation, including but not limited to the specific operating costs of the various types of aircraft in service; our employee wages; our Transport Canada-approved operation manuals; our aircraft standard operating procedures etc.

The reason given by Ornge for this request was for transparency in the government contracts. In any business, this is all considered privileged and confidential proprietary information, which was garnered from years of experience and a large investment in time, effort and money by the management of their respective carriers. Clearly, in any free and democratic society, this is confidential, which is the exclusive business property of the owner, in my case, Air Bravo.

Alternatively, equivalent generic and extremely non-specific information could have been obtained by Ornge through or by a contract from a private aviation consultant. However, this contract would have probably cost hundreds of thousands of dollars. All carriers were not so subtly encouraged to provide this information; rather, there was a thinly veiled threat of upcoming contract consequences should this not be provided.

Begrudgingly we all complied, with the assurance from the then vice-president of aviation of Ornge that they had no interest or plans to set up their own air service. Surprisingly, within six months of uttering these words, Ornge Air applied for their own operating certificate to Transport Canada for the provision of an air carrier licence.

Not surprising was what was to become their trademark arrogance: that they had not even attempted to disguise the plagiarism. Ornge, in bold fashion, used such items as standard aircraft operating procedures and checklists which were taken verbatim from the ones we had provided.

Indeed, it is a not-so-subtle coincidence that the aircraft Ornge chose as being most suited for their operation and which they overspent to acquire was the Pilatus PC-12, the same type of aircraft that Air Bravo pioneered as an ideal air ambulance aircraft and the same type that we currently operate ourselves. Yes, the very same aircraft for which we provided all the necessary manuals, cost and operating requirements as demanded by the RFI. Ironically, Ornge now has 10 fixed-wing aircraft, the same amount that Air Bravo had at its peak. The only exception is that Air Bravo staffed and utilized all 10 aircraft; Ornge only staffs and utilizes four and keeps six as backup.

Upon the formation of Ornge Air, a for-profit company, a contract to provide Ornge with air ambulance was awarded to them without regard to any traditional tendering, which in my view is contrary to the legislated requirements. As a result, Ornge Air instantly became the largest air ambulance carrier to the detriment and, in some cases, demise of the established SA operators.

At one point, out of frustration at what I considered to be ongoing questionable business practices, I made a confidential inquiry to the standing agreement carriers' executive liaison representative at Ornge, specifically to ask if the board was fully aware of their conduct. Similarly, I received a notice that I was to present myself for a meeting with Dr. Chris Mazza at their offices in Toronto at a specified time and date. Please bear in mind that at this time that I lived in Elliot Lake, a six-hour drive away.

I had high hopes at the time that a meeting of this nature would prove beneficial and iron out some of the differences we had been encountering. Unfortunately, the meeting was short-lived, lasting literally less than five minutes. During that brief meeting, Dr. Mazza advised me, "I do not report to the board; the board reports to me. Do you understand?" Clearly, I was surprised and shocked at such a statement. That was the end of the meeting.

It should be noted that throughout this period, several of our submitted invoices were disputed by Ornge for a variety of what we had deemed to be unsubstantiated and/or frivolous reasons. The Air Bravo invoices were frequently either short-paid or dismissed in their entirety, with little or no valid reason given. Our ongoing efforts to collect these proved to be in vain and eventually totalled, with interest, in excess of \$600,000.

1240

As renewal of the three-year RFP neared, Ornge offered a settlement in the amount of less than 10 cents on the dollar, indicating quite brazenly that a contract renewal would not be forthcoming if the matter was not signed off as payment in full. As the deadline awarding the new RFPs loomed and the perception that the future of my company would be in peril—and the 90 employees that I was employing—if I did not comply with the terms of their settlement, I received an email from the standing agreement contract administrator, a gentleman who ended his employment with Ornge last week. There were two words in that email—"Tick tock"—which to me means, "Time has finished; either sign off on a settlement or no contract." Along with that came a threatening phone call from the CEO, Dr. Chris Mazza. I was left with the ultimatum and had no choice but to accept this pittance in settlement. Under duress, I accepted this. Rightly or wrongly, I call this extortion.

It's also worth noting that during this time of the RFP submissions, myself and the other carriers submitted sealed tenders in good faith and in accordance with the standard tendering process. Contrary to this process, each carrier was then individually called in for a private meeting with Ornge after the RFP deadline. Their respective tendered price per hour was questioned, and each was advised that the awarding of the contractual guaranteed hours would be in accordance with the lowest-cost carrier. As I understand it, each SA carrier, including Air Bravo, was instructed to re-examine their cost structure to see if they could offer a price suggested by the Ornge negotiating panel. It was suggested that without meeting this price, a carrier could not expect to be awarded desired guaranteed hours.

Ladies and gentlemen, these are a few of the examples of questionable business practices that I have heard have been implemented at Ornge and which permeate their corporate culture to this day. Having met some of the executive managers and board members who have succeeded Dr. Mazza, I hold them in high regard and have no evidence to the contrary of anything but integrity in their leadership. Regrettably, once burned, twice shy. The questionable and unethical business practices still exist at Ornge and with its staff.

Air Bravo, along with the other air ambulance service providers, served the citizens of this province safely, efficiently and cost-effectively prior to the advent of Ornge. In essence, the system, under the prior administration of the Ministry of Health, was not broken. In my view, this previous system or operation was designed by the medical and aviation professionals with the experi-

ence and know-how to get the job done in a safe and timely manner. The same cannot be said of Ornge, even to this day, and after hundreds of millions of taxpayer dollars have been spent to set up a cumbersome, ineffective and political white elephant.

Respectfully, I urge you to consider the dissolution of the current operations and return to allowing government agencies such as the Ministry of Health or the Ministry of Transportation to administer, regulate and dispatch, and allow us, the aviation professionals, to do what we do best: flying airplanes and providing the vital emergency medical care needed by the taxpayers. Ask yourself, how does the private sector compete when our main customer is our regulator and our competitor at the same time?

In closing, I thank you for the privilege of giving me the opportunity to address this committee. Thank you for your invitation and consideration.

The Chair (Mr. Norm Miller): Thank you very much for the opening statement.

We'll move to the opposition first. You have 20 minutes, Mr. Klees.

Mr. Frank Klees: Thank you, Mr. Chair. Mr. Horwath, thank you for coming today. The reason that we wanted to hear from you and the other standing agreement providers is that I think it's important, as we draw our hearings to a close, that we have the perspective of the private sector and how service is delivered.

I want to pick up on a comment that you made, which was disturbing to me, and that is—I think I'm quoting you—when you said, “Unfortunately, questionable and unethical business practices still exist at Ornge.” Could you expand on that? Could you give us an example of what it is that you're referring to?

Mr. Rick Horwath: Yes. There are a couple of examples. One would be that I have asked for clarification on a conflict-of-interest issue which stems from another carrier being allowed to use a full-time Ornge employee to help author their RFP submission without declaring that as a possible conflict of interest. They have addressed it by saying they're investigating it, but nothing comes of it.

There are other examples. Even in a recent renewal of our latest contract, there was still some, shall we say, negotiating of the tender after the deadline. I just think that's unethical in a sealed-tender process.

Mr. Frank Klees: Could you elaborate on that? What exactly happened?

Mr. Rick Horwath: Being called and asked, “Are you sure that's the final price you want to submit?”

Mr. Frank Klees: And who was it who called?

Mr. Rick Horwath: An Ornge representative.

Mr. Frank Klees: Do you recall who that was?

Mr. Rick Horwath: The gentleman's name is Ted Rabicki.

Mr. Frank Klees: So Mr. Rabicki called you after tenders were closed. Specifically, what did he say?

Mr. Rick Horwath: He just said, “Are you sure those are the numbers you want to go with? They may not be

the numbers that will get you the guaranteed outcome that you'd like.”

Mr. Frank Klees: So the implication was that he would allow you to change the numbers.

Mr. Rick Horwath: Potentially, yes.

Mr. Frank Klees: And did you?

Mr. Rick Horwath: No.

Mr. Frank Klees: Okay. Are there any other examples of concerns that you have about business practices there?

Mr. Rick Horwath: The fact that they're still being allowed to continue their air service without having to ever tender it against us and become our competitor; and using their guys, as being a government agency, to coach employees of ours to go to work for them, knowing their strengths in the air ambulance industry.

Mr. Frank Klees: Have you reported any of your specific concerns, such as this issue around the tendering, to anyone senior at Ornge?

Mr. Rick Horwath: I knew they were all familiar with it.

Mr. Frank Klees: So it's your opinion that Mr. McCallum would have been aware that that call was made to you.

Mr. Rick Horwath: Yes.

Mr. Frank Klees: Why do you say that?

Mr. Rick Horwath: I was told that they were aware of it.

Mr. Frank Klees: Who told you that the senior executives were aware of that call?

Mr. Rick Horwath: Well, Ted Rabicki himself—and also just through the email chains and seeing who was cc'd on things would make me believe that they were aware.

Mr. Frank Klees: I'd like to change the focus somewhat. You were quoted in a press release as saying, and I think you just said it in your opening statement as well, that Air Bravo is the largest standing agreement carrier. How many aircraft do you have in service directly dedicated to Ornge at this time?

Mr. Rick Horwath: We have six aircraft that can be dispatched for Ornge at any given time.

Mr. Frank Klees: Are you involved in any other aviation business: private services that you provide, charters?

Mr. Rick Horwath: Yes, we do provide private charters, and we provide private air ambulance for repatriation.

Mr. Frank Klees: What percentage of your business would be Ornge-focused?

Mr. Rick Horwath: Today, it would be in the 65% to 70% range. When we originally started and up to 2007-08, it was around 90%. When we first started, it was 100%.

Mr. Frank Klees: And why that reduction in business?

Mr. Rick Horwath: To stay in business, we had to diversify. And as Ornge created their Ornge Air, it made

it even more clear that we had to diversify to stay the size we are and to succeed.

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Mr. Frank Klees: You operate under a standing agreement. That standing agreement is standard for all of the standing agreement providers, I'm assuming? There isn't a difference between yourselves and other aviation companies?

Mr. Rick Horwath: No, it's all the same.

Mr. Frank Klees: Okay. When you make your bid, are you required to provide financial assurance and give evidence of the financial stability of the company?

Mr. Rick Horwath: Yes.

Mr. Frank Klees: In the handout that you have in front of you, under schedule A—

Mr. Rick Horwath: Yes.

Mr. Frank Klees: Now, this is actually schedule A from an RFI, from previous RFIs. The last two requests for proposals did not contain this particular section. There is no requirement in the request for proposals for the last two rounds of proposals that requires a proponent to provide any financial information regarding their corporation. You're aware of that?

Mr. Rick Horwath: Yes.

Mr. Frank Klees: The last time that you put your proposal, your submission, forward, did you provide financial information, tax returns? Did you provide any information about the financial stability of your company?

Mr. Rick Horwath: In the last one we just did?

Mr. Frank Klees: Yes.

Mr. Rick Horwath: Not that I recall, no.

Mr. Frank Klees: Did it surprise you that you weren't asked for any of that financial information?

Mr. Rick Horwath: In some regards, yes, in others, no, because we had raised that issue several times. Especially with Ornge we raised the issue, why would we give our financial information to our competitor?

Mr. Frank Klees: How many bases of operation do you have?

Mr. Rick Horwath: Presently we have three.

Mr. Frank Klees: In your opening statement, I thought you said five.

Mr. Rick Horwath: At our peak we had five.

Mr. Frank Klees: And on your website it says five.

Mr. Rick Horwath: Yes, the website hasn't—we just recently consolidated it down to three bases within the last month and a half.

Mr. Frank Klees: So if you have three, why would you tell us in your opening statement that you have five?

Mr. Rick Horwath: That was a statement based on our peak; at Air Bravo's peak, we were at five bases. It was to show that we had 10 airplanes and five bases, which is very similar to the model that Ornge uses, which was given to them during our RFI back in 2007, I believe that was.

Mr. Frank Klees: Which two bases do you no longer operate out of?

Mr. Rick Horwath: Sioux Lookout and Timmins.

Mr. Frank Klees: And when did you stop operating out of Timmins?

Mr. Rick Horwath: Approximately two months ago we pulled our airplane out of there.

Mr. Frank Klees: When did you last have access to a hangar in Timmins?

Mr. Rick Horwath: I would have had access to a hangar up until we pulled out, basically.

Mr. Frank Klees: So the information that we have is that there were a number of months that you were actually operating from the tarmac in Timmins that you did not have access to the hangars. Is that incorrect information?

Mr. Rick Horwath: That is, in the fact that we did have access to a hangar, we just opted not to—

Mr. Frank Klees: Pardon?

Mr. Rick Horwath: We did have access to a hanger. It was like Richard's hangar; it wasn't the hangar that we had been in presently—

Mr. Frank Klees: And why did you no longer have access to the hangar that you were leasing?

Mr. Rick Horwath: Because when our lease contract came up for renewal, the landlord for the hangar increased the rent higher than what we could afford to operate it from at our current rates that we were being paid by Ornge.

Mr. Frank Klees: Is it a fact that there were substantial property taxes that were owing on that hangar that were your responsibility and that the landlord wanted you to pay?

Mr. Rick Horwath: There are some disputed land taxes, yes.

Mr. Frank Klees: And is that the reason the landlord refused to renew the lease?

Mr. Rick Horwath: No. He refused to renew the lease because I refused to sign the increase in rent.

Mr. Frank Klees: Which included the outstanding taxes?

Mr. Rick Horwath: No, just the actual monthly rent itself is what I disagreed with.

Mr. Frank Klees: Is there a legal dispute about those ongoing now?

Mr. Rick Horwath: Yes.

Mr. Frank Klees: Okay. So that has not been resolved. What is the reason for the Sioux Lookout issue? Why are you no longer operating out of there?

Mr. Rick Horwath: Basically, it was economics. That base wasn't paying for itself to continue operating out of there.

Mr. Frank Klees: Are there funds owing to the owner of that—

Mr. Rick Horwath: No.

Mr. Frank Klees: So there are no disputes regarding any outstanding debts there?

Mr. Rick Horwath: No, everything is current with that landlord.

Mr. Frank Klees: Okay. I'd like to ask you about Ornge's oversight of your operations. You contract to Ornge for your services. One of the issues that this committee has been dealing with is the lack of oversight of

Ornge on the part of the Ministry of Health. In your particular case, Ornge contracts with you to provide specific service. Your agreements are extensive in terms of the requirements that have to be there. What is the mechanism that Ornge uses to ensure that you're in compliance with your agreement?

Mr. Rick Horwath: The mechanisms that Ornge uses to ensure that we're in compliance with the contract or with the agreement? They do have auditors come in and audit us. They've used an outside auditor, the firm of Argus, to see if we meet our safety requirements. With those audits by Argus, which we've had several of, we've always maintained what they have as their highest rating, which is a platinum rating.

They also have performance reviews that they state in their contract, but I've never really seen them come around and enforce those performance reviews.

Mr. Frank Klees: Ornge has not been on site at any time to inspect—

Mr. Rick Horwath: They come on site when you originally apply to open a base or to add an aircraft. They'll come on site and inspect that aircraft, inspect that base.

Mr. Frank Klees: But subsequently, there have been no follow-ups.

Mr. Rick Horwath: No.

Mr. Frank Klees: I understand that one of the requirements is that your airplanes contain the TAWS technology.

Mr. Rick Horwath: Yes.

Mr. Frank Klees: Do all of your planes comply with that requirement?

Mr. Rick Horwath: Yes.

Mr. Frank Klees: TAWS, for the record, is "terrain avoidance warning system," right?

Mr. Rick Horwath: Correct.

Mr. Frank Klees: When did you come into compliance with that requirement?

Mr. Rick Horwath: Within the time frame that was given when they first set up that requirement.

Mr. Frank Klees: Okay. Can I just ask about the financial position of Air Bravo? There have been some reports that there are a number of outstanding debts that Air Bravo has, whether it's with hangars or whether it's suppliers. Is that competitor noise, or is there some substance to that issue?

Mr. Rick Horwath: There may be some of that being competitor noise, in not knowing, obviously, the true story, and rumour mills. As with any company with either growing pains or the present economy, there may be times when cash flow makes it tough to make all bills on time.

Mr. Frank Klees: You understand why that is an issue? The reason it's an issue is that, particularly given the fact that Air Bravo is providing a good percentage of the services to our air ambulance service, when there is a suggestion that there may be a financial issue with that company, the possibility of the banks moving in or the

doors closing has serious implications to a very essential service in our province.

So I would ask you this question: Is Ornge aware of some of the financial challenges that you're facing? And if so, what have the discussions been like between yourself and Ornge?

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Mr. Rick Horwath: Yes, there have been a couple of examples or a couple of incidents where Ornge has been aware that there were some bills that were late being paid.

Mr. Frank Klees: And can I put it this way: What is the fallback position? Or do you have a plan in place to assure Ornge and to assure the province, the government of Ontario, that your service is solid, that your company is solid, that you will in fact be able to provide that service? Because this is not just about a business surviving; this is about an essential health care service. How practical are those discussions between yourself and Ornge to provide assurance of a continuation of that air ambulance service?

Mr. Rick Horwath: Well, one thing is, you look at history. We have proven that we were one of the carriers that has been there through thick and thin, through the economic times, and we still persevere and still maintain a safe record and keep a platinum rating with Argus, which also looks at your safety record and your ability to carry on business. We've proven it over time, that we will be in business. We will provide the service, and safely.

Mr. Frank Klees: Was there a credit report done with your last round of applications for service?

Mr. Rick Horwath: Was there a credit report done? No.

Mr. Frank Klees: Assuming there was a credit report ordered on your operation today, what would that look like?

Mr. Rick Horwath: I'm not sure—

Mr. Frank Klees: So you're unsure as to whether that credit rating would support the government awarding or Ornge awarding a contract to you?

Mr. Rick Horwath: It would depend on what their requirements of that credit report be, I would imagine.

Mr. Frank Klees: Okay. Who at Ornge do you report to directly? Do you have a direct liaison at Ornge?

Mr. Rick Horwath: Between the SA carriers and Ornge, usually our liaison was Ted Rabicki. He is no longer with Ornge as of last Friday. I believe he resigned. Above that would be Rob Giguere, who I've been reporting to directly myself.

The Chair (Mr. Norm Miller): You have a minute and a half left.

Mr. Frank Klees: Thank you. Let me just ask you about the relationship, then, between yourself and Mr. Giguere. Do you feel that that is an open communication, that you can talk to him professional to professional and with full disclosure and ensure that you're both on the same wavelength in terms of what your responsibilities are to deliver your service? Is that an open communication? Do you feel—I'm hoping, I guess, that he doesn't

fall into that category of business practices that you've referred to in your opening statement.

Mr. Rick Horwath: Yes, I believe my discussions with him can be very open and candid, although in speaking about the conflict-of-interest issue that I brought up as a business practice—in that investigation, I was made aware that the legal team at Ornge, specifically Mr. Patterson, was actually sending confidential emails between myself and Mr. Giguere on to my direct competitors.

The Chair (Mr. Norm Miller): We are pretty much out of time now, Mr. Klees. We'll move to the NDP: Ms. Gélinas.

M^{me} France Gélinas: I don't know if it's because I didn't hear good, but I just want to check: When Mr. Klees asked you about the TAWS and asked when did you bring that onto your aircraft, I did not hear the date.

Mr. Rick Horwath: I don't know the specific date. I just know that we were compliant with when they needed to be. The date that they had given us to have them in compliance, we were—

M^{me} France Gélinas: Could you put it in time? Was it last week, last month, last year?

Mr. Rick Horwath: It was several years ago.

M^{me} France Gélinas: Several years. Okay. Thank you.

I was very interested by your opening comments, especially when you talked about, you know, there were thinly veiled threats of compliance—if you did not give them the information on the request for information, you basically felt that your livelihood was going to be threatened, that those people had the final yea or nay as to whether you were going to exist or not. It doesn't take much of a threat to be scared in those situations. Am I reading this well?

Mr. Rick Horwath: Yes.

M^{me} France Gélinas: Okay. Given what you've told us, and what you label as trademarks of arrogance—you're not the first one to say this, by the way—what kind of protection did you have? Were you ever able to go to the ministry and say, "Listen, I don't think I'm being treated fairly by the team at Ornge"? Did you feel that that was available to you, and did you make use of it?

Mr. Rick Horwath: I felt it was available, and I believe myself and other carriers expressed those concerns at different times to the Ministry of Health. But basically, and I can't recall the exact times or persons, some of them were during—we have a three-year Ministry of Health audit where they come in and audit us for our air ambulance licence. During those times, you would bring up those discussions of your mistrust in the system, and basically the people during those audits would say, "Yeah, we all understand, but they're pretty much untouchable"—Ornge was untouchable.

M^{me} France Gélinas: So those are people who work for the Ministry of Health. They go through all of the bases; they do the audit for your ambulance licence. You would have open conversations with them and talk to

them about the trademarks of arrogance and basically what was happening to you, and none of them offered to help you?

Mr. Rick Horwath: They didn't know what they could do—no.

M^{me} France Gélinas: Okay. Now that you look back, do you have any idea—can you speculate as to why those people were not willing to help you?

Mr. Rick Horwath: They were either in support of it, which they openly had said they were not, or maybe they just didn't have the authority or the ability to step on toes.

M^{me} France Gélinas: Do you figure it should have been different if it had been—how would you have liked it to work? You could see that things at Ornge were wrong. What would have been for you—how should the system have worked so that those wrongdoings were caught earlier, and when you reported something, action would follow?

Mr. Rick Horwath: I think if we would have been assured of confidentiality in reporting what we thought was wrong and not have it go directly to Ornge—I think most of the carriers would assume that once Ornge found out you were, call it, a whistle-blower on them, your flying would come basically come to a screeching halt and you would be blackballed. In my situation—and most of the other SA carriers—where your largest customer is Ornge at the time, that's a tough gamble to take. Are you going to remain confidential, and while you're waiting for something to take place to fix a problem, are you going to continue to be able to operate?

M^{me} France Gélinas: A huge gamble.

Mr. Rick Horwath: You're between a rock and a hard place.

M^{me} France Gélinas: Yeah, a huge gamble. So what you're telling me is that you would like to have had the opportunity to have a confidential way to bring those issues to the ministry so they could be investigated and action taken. Do you now feel, after all the weeks, the months, the years that have gone by since we've tried to change Ornge, that things have changed for the better? Do you feel that if you were to see something drastically wrong at Ornge, where would you go, and do you have confidence that it would be different than what it was before?

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Mr. Rick Horwath: Can you repeat the last half of that?

M^{me} France Gélinas: Yes. You described what it was like at Ornge before. You saw that things were wrong, but you felt that if you were to go to the ministry and complain, it would go back to Ornge and Ornge would basically take it against you.

Now, in 2013, if you had a complaint against Ornge that you wanted to bring to the ministry's attention, do you figure that things are better, that there is somebody out there at the ministry who would listen to you and that things would be looked after?

Mr. Rick Horwath: I'm not so sure that the ministry has gained my confidence in that yet.

M^{me} France G  linas: No, eh? What would it take? What should the ministry do so that it is perceived in a way that you feel that, "Yes, now they have a process in place that I know that if I complain, those will be in confidence, and the people that I complain to have enough status that they can actually do an investigation and change things around"? What would bring you that confidence?

Mr. Rick Horwath: By seeing action taken from the special report from the Auditor General. The report was finished in 2012. We're now a year and a half later, and I haven't seen much action on the ministry's part to fix a lot of the problems that were brought up in the report. I think a little more action, and quicker action, would help build my confidence in the ministry.

M^{me} France G  linas: So from where you're sitting, things have not changed in the sense that if you see wrongdoing, you're still stuck between the rock and a tough place and have no place to report those so that action can be taken?

Mr. Rick Horwath: Correct.

M^{me} France G  linas: Okay. You were going to say something.

Mr. Rick Horwath: No. That's correct. I still feel that way.

Mr. Jagmeet Singh: You were there when Ornge made that shift, to your surprise, where they went from just providing the ambulance services to actually providing the air services. What did you notice, as somebody who is an expert in this field or has significant expertise in the field? What were some of the problems with the way Ornge conducted their business, the way they operated when they took over the air side of it all? What did you observe as problems?

Mr. Rick Horwath: As problems in that area?

Mr. Jagmeet Singh: Yes.

Mr. Rick Horwath: I observed that they went from having no air service to all of a sudden having one of the larger air services, without the direct expertise on how to run it. Sure, they can hire some personnel, but they plagiarized all their manuals and everything. If somebody plagiarizes something, do they really understand what's in that manual and what it took to get to that place?

Mr. Jagmeet Singh: That was your concern, that you thought they may not have expertise. But what actually happened that either showed they didn't have expertise or showed that they made mistakes? When was your concern that perhaps they plagiarized, perhaps they didn't have the expertise? They went from no air service to all of a sudden having the largest. What were the actual objective things that you noticed that seemed to be not efficient or not proper or not up to the standard that they should be?

Mr. Rick Horwath: One thing for "not efficient" is, I don't know any other airline that owns 10 airplanes and only operates four of them on any given day. That's an inefficiency right there. You absolutely are proving that

you don't understand the economics of an airline. You can't own that many aircraft and only utilize 40% of them.

Mr. Jagmeet Singh: Okay. Besides that, anything else that Ornge did that wasn't to the standard that you would expect them to do, whether it's efficiency, whether it's the standard of care, whether it's the way they operated the airline? What were other things that you noticed? One was the efficiency: operating four out of 10. What else did you notice, if anything? If you want to come back to that, I can go on to another—

Mr. Rick Horwath: Yes, let me think about that.

M^{me} France G  linas: You were there since 2001. Can you place it in time as to at what point you realized that your suspicions were right? At what point did you realize that there was something drastically wrong at Ornge? If you were to put a time frame on this, was it after it hit the front page of the paper or before?

Mr. Rick Horwath: It was well before it hit the front page of the paper. It was 2006 or 2007 when we started realizing that they were actually looking to start up their own airline, the way they started doing business practices and specifically when they finally started their own airline. First of all, it was, "No, we're not going to start an airline." Six months later, it was "Yes, we decided we're going to and we've used all your information to do so." The next thing was, "Yes, we're going to start our own airline but we will not take any of your employees or any employees of other SA carriers to build our airline." All of a sudden, they're poaching half of your employees.

I made an inquiry to Ornge as to why they were taking so many of my medics at one time, and it was at the time that Dr. Mazza and Rick Potter were in Switzerland negotiating their deal with Pilatus for their airplanes. They were actually on a bus, and I have a witness to verify that; it's Mr. Arnone, who owns Pilatus Centre Canada, who was with them. After they got my question that it is unethical to take eight of my medics all at one time to help build their airline, Dr. Mazza actually had Potter call me, took the phone from him and said to Mr. Arnone—I'm recapping from Mr. Arnone's statement—"I want you to listen to this phone call. This is what happens when you try to go against me." In that phone call I was told, "Do not ever question our ethics, do not ever question why we are employing some of your employees again. If you do so, there will be no more work for you."

M^{me} France G  linas: So an open threat over the phone. How did you react to that?

Mr. Rick Horwath: I basically said okay, I'll have to find another way and just persevere in my company and hire new employees. How do you respond to that, unless you take them to court? And then you take them to court, and now what happens to my business?

M^{me} France G  linas: You have a lose-lose situation in front of you.

Mr. Rick Horwath: Right.

M^{me} France G  linas: By then, had you tried to go to the ministry to tell them, "You've created a monster"?

Mr. Rick Horwath: At that point, no, I didn't go directly to them.

M^{me} France G  linas: So the first indication—the thing was not even off the ground and you already had a solid indication that a monster was being created.

Mr. Rick Horwath: Oh, yes.

M^{me} France G  linas: At what point did you try to reach out to the ministry and tell them what they had done?

Mr. Rick Horwath: At different times we had discussions with, as I mentioned to you, auditors from the ministry. We also met as air carriers and had brought this up. We had brought these to the attention of the board members of Ornge at a meeting in Thunder Bay. I don't recall the date but I can get that date for you. They had offered to have open meetings with us, with the air carriers, to address our concerns that we were bringing forward. We had one meeting and then they never—because that meeting was so confrontational, they never had another meeting with the air carriers over this.

M^{me} France G  linas: The board of Ornge had, I take it, one of their regular meetings in Thunder Bay, made it an open meeting for you to attend—

Mr. Rick Horwath: They made it a meeting in Thunder Bay because it was central for most of the operators to get to.

M^{me} France G  linas: And you attended, you told them your side of the story and—

Mr. Rick Horwath: That we were totally against them setting up an air service, yes.

M^{me} France G  linas: Okay.

Mr. Rick Horwath: And coming into direct competition with us.

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M^{me} France G  linas: That was before they set up the airline?

Mr. Rick Horwath: It was while they were trying to set it up.

M^{me} France G  linas: Okay. And that was the only consultation that ever took place? They never—

Mr. Rick Horwath: Between Ornge and the air operators, yes.

M^{me} France G  linas: Okay.

Were you ready? Sorry.

Mr. Jagmeet Singh: Yes. No problem.

I understand certain areas of your concern: your concern that your model was plagiarized, that a competitor was set up immediately to compete with you, that there were some practices that weren't ethical in the way they set up their airline. That's just running a business, becoming a competitor and challenging your business directly. If the public of Ontario are looking at this, they'll just look at you as a disgruntled company that lost business, right?

But beyond that, to the actual substance, what can you speak to in terms of the substance of what Ornge provided—their actual service that was flawed or, as we see, a big mess? What was it in the actual way they delivered their services that was problematic to you, beyond the

competition? I understand where you're coming from, and I think it's obviously not appropriate. But getting to the root of the matter, what did you notice was wrong with the actual service provided by Ornge in terms of them taking over an airline or creating an airline all of a sudden?

Mr. Rick Horwath: Well, one thing I can see is that it became apparent that they allowed the unionized medics to more or less dictate whether an airplane was to go flying or not, based on how they felt about the weather, instead of leaving that to the pilot's choice. Another thing would be the lack of—you already brought up the point that we were required to have TAWS on our airplanes, but it came to our knowledge that they didn't enforce that on their own helicopters. Why didn't they? Why were they above having the same requirements we had, especially the helicopters? We've had more experience in aviation and have been in the business longer, but we're having higher requirements on us than they are with less experience.

Mr. Jagmeet Singh: That's fair. And when it came to the ministry, Ornge air ambulance was taking a new direction where, instead of just providing medical services, they were also taking over and running their own airline—fixed-wing and rotor-wing as well. When they did that, did the ministry ask the service providers or the other air carriers their opinion on whether or not Ornge could do this or whether this was feasible or whether it made sense? Did they ask your opinion on this?

Mr. Rick Horwath: No.

Mr. Jagmeet Singh: Okay.

The Chair (Mr. Norm Miller): You have a minute left.

M^{me} France G  linas: My last question, then, will be: Those were taxpayers' dollars that went to create Ornge and run it, etc. Do you think the ministry did their job of monitoring this agency called Ornge?

Mr. Rick Horwath: No.

M^{me} France G  linas: And what makes you say that?

Mr. Rick Horwath: I think it's become very apparent why I would say that, in the fact that just reading through the auditor's report brings up a lot of questions as to where all the money was being funnelled to. Who was the actual beneficiary of the budget that was being utilized? It definitely wasn't the taxpayer or the patients of Ontario who were benefitting the most from this.

M^{me} France G  linas: I agree. Thank you.

The Chair (Mr. Norm Miller): Thank you. We'll move to the government. Ms. Jaczek.

Ms. Helena Jaczek: Thank you, Mr. Horwath, for your opening statement. I'll start off by picking up a little bit on Ms. G  linas's question in relation to when Ornge decided to operate its own aircraft and, in essence, be in competition with you. At some point during that pre-2012 era, you did have some concerns that you raised to the Ministry of Health and Long-Term Care. Do you have any emails or any concrete evidence of your forwarding these concerns?

Mr. Rick Horwath: Not with me at present.

Ms. Helena Jacek: Would you be able to make those available?

Mr. Rick Horwath: Yes, I will look for them.

Ms. Helena Jacek: Can we have a request to the Clerk that that occur? We would be most interested in seeing that.

The Chair (Mr. Norm Miller): I see the Clerk writing. I assume he's—yes, he's noting that.

Ms. Helena Jacek: Okay. Thank you.

We understand, obviously, that this was a threat to your business, and you had to reduce your operations in relation to air ambulance. Currently—so since the new management has been in place—can you describe your fleet, the capacity that you have? I think you said at one point that about 60% of your aircraft time or however you allocate that unit—I'm not sure how you do it—is dedicated to air ambulance through Ornge. Can you just describe a little bit how many aircraft are employed for Ornge services and how many are not?

Mr. Rick Horwath: All of our aircraft are capable of flying for Ornge on any given day.

Ms. Helena Jacek: Yes, but do they?

Mr. Rick Horwath: Most of them do.

Ms. Helena Jacek: So is your fleet being used? Is your capacity being used to its full extent?

Mr. Rick Horwath: Our fleet is being used. We're not being used to our fullest capacity, though.

Ms. Helena Jacek: What would be the gap? What sort of size of gap?

Mr. Rick Horwath: From our peak years, we're down probably 50%.

Ms. Helena Jacek: I'm not so interested in your peak years; I'm interested in—

Mr. Rick Horwath: The peak years were prior to Ornge.

Ms. Helena Jacek: Right. I'm talking about now, of your capacity—

Mr. Rick Horwath: It was prior to Ornge Air, I should say.

Ms. Helena Jacek: Your current capacity: How much is being used for Ornge, and do you have excess capacity that could be used for your private chartering business? I kind of want to know about your efficiency.

Mr. Rick Horwath: Okay. With Ornge, we are being utilized probably 65% or 70% of what they should be utilizing us for, or could be. Where we had to diversify—and I think the question was raised earlier, what's their percentage of business? We're slowly marketing our private charters and our private air ambulance to make up the difference in the lack of utilization on Ornge's side.

Ms. Helena Jacek: Okay. Now, turning to your contract—I'm quoting from the material we were given by the research officer: "Air Bravo's contract with Ornge was up for renewal March 15, 2013." You did describe some sort of conversations that occurred with officials at Ornge. Was this prior to March 15, prior to the renewal? I'm just trying to understand the timeline here.

Mr. Rick Horwath: I don't have the timeline in front of me of the deadline for the tender. But yes, prior to us signing the new contract, there was—

Ms. Helena Jacek: How was the tender performed? Did you have a sealed envelope wherein you put your proposal forward, and it was going to be opened on a certain date along with other competitors? Help me understand how the standard offer works.

Mr. Rick Horwath: Yes, they have an RFP, which is a request for proposals. They have a deadline then for questions that you can submit prior to the deadline of the submission that will be answered. Once that deadline is over, then you have a deadline to have the submission submitted to them in a sealed envelope—so many copies, either electronic or paper; I forget the exact number at this time—with a separate envelope with your sealed pricing in it. You have a proposal that spells out all the requirements, such as schedule A here; some of that wasn't in this latest one.

Ms. Helena Jacek: Did you pose questions to Ornge prior, as you said you were allowed to?

Mr. Rick Horwath: On this last one, I did not.

Ms. Helena Jacek: You did not.

Mr. Rick Horwath: No.

Ms. Helena Jacek: The conversations—I think it was Mr. Rabicki at Ornge—when did they occur? Were they prior to the opening of the envelope?

Mr. Rick Horwath: Well, you have to understand that Mr. Rabicki was the liaison between SA carriers and Ornge, so we have, at the minimum, weekly conversations with him on all issues to do with the SA carrier daily operations. To specify a date of when I had a specific conversation, I can't answer that.

Ms. Helena Jacek: Could you perhaps go over again exactly what Mr. Rabicki said to you?

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Mr. Rick Horwath: There have been so many conversations with him, I can't recall what you're asking, like what—

Ms. Helena Jacek: But you made a pretty serious allegation in your opening statement, that you felt that there was some impropriety in the current process at Ornge.

Mr. Rick Horwath: Well, my opening statement addressed the tender process that happened three or four—actually, five years ago—where, after we submitted our tenders, every carrier was brought down to Ornge. And at that time, it was Conrad Caia, Fred Rusk and Ted Rabicki who met with us on individual—each carrier brought in and discussed their tender and was asked to lower it.

Ms. Helena Jacek: I'd like you to talk about since the new management is in place at Ornge. Could you explain what impropriety you think has occurred?

Mr. Rick Horwath: There are still the conflict-of-interest issues. There's the sharing of confidential emails between myself and the COO of Ornge, Rob Giguere, that were passed on to employees—actual emails passed on to employees at another service provider.

Ms. Helena Jaczek: Can we see these emails?

Again, Mr. Clerk, I would request that we get copies of these emails.

Mr. Rick Horwath: Sure; yes.

Ms. Helena Jaczek: And with—the date, obviously, will be clear.

Mr. Rick Horwath: Yes.

Ms. Helena Jaczek: The sealed envelopes were opened. What happened? Were you awarded a contract?

Mr. Rick Horwath: Eventually, yes.

Ms. Helena Jaczek: What do you mean, “eventually”?

Mr. Rick Horwath: It took quite some time for them to eventually have the contracts signed, from the deadline of the opening of the tenders until they actually submitted contracts for signature, and I’m of the assumption that was the same for all carriers. They actually did ask us for a further extension of our current contract while they were still trying to iron out the new contracts that they wanted.

Ms. Helena Jaczek: So you continued to provide service to Ornge throughout that time?

Mr. Rick Horwath: Throughout the amendment period, yes.

Ms. Helena Jaczek: And you’ve obviously accepted the contract, and you’re currently providing a service to Ornge, as you’ve told us?

Mr. Rick Horwath: Yes.

Ms. Helena Jaczek: What do you know about some of the measures that the government, the ministry, has proposed in terms of amendments to the Ambulance Act? Have you followed the proposals in the new regime?

Mr. Rick Horwath: I’ve been aware of some of the proposals, yes. I haven’t followed them directly.

Ms. Helena Jaczek: Just so you know, there will be, hopefully—when we finally pass this bill—some whistleblower protection. It’s certainly our government’s intention that what happened previously would not happen in the future so that concerns can be raised and they will be responded to.

Again, looking at what the researcher provided for us, I understand that Air Bravo was involved in the six-month trial program between Sault Ste. Marie and Sudbury to provide airplane service for patients with scheduled hospital treatment. You were involved with that trial.

Mr. Rick Horwath: Yes—

Ms. Helena Jaczek: Could you explain to us how that worked? Was it a separate contract that you had to do this trial program with Ornge?

Mr. Rick Horwath: Yes, it was a separate contract; I believe it was put out for tender, for an amendment to the existing contract at that time. We tendered on it and were awarded the trial period.

Ms. Helena Jaczek: Okay. So you were able to use some of your capacity—

Mr. Rick Horwath: Right.

Ms. Helena Jaczek: —to take part in this particular service. Do we have any results? Would you have deemed it a success, or do we—

Mr. Rick Horwath: I believe it was successful, yes. They have discontinued that.

Ms. Helena Jaczek: Were you transporting patients on a daily basis, or how did it work?

Mr. Rick Horwath: Yes.

Ms. Helena Jaczek: Again, I guess I’m a little confused about some of your allegations about what’s happening currently at Ornge, because we were given in this document a direct quote from yourself. I guess the source was IPMI Magazine. What you say here is, “We value our partnership with Ornge and welcome the opportunity for us to build on our existing relationships to help deliver an efficient and cost-effective air ambulance service for the benefit of the citizens of Ontario.” So I’m wondering if, at that point—this is actually dated June 18, 2012—whether you had any reservations about what was happening at Ornge subsequent to the change. There was a new board of directors, an interim CEO. What exactly does that mean?

Mr. Rick Horwath: Air Bravo and myself were hopeful that the change of the executives was going to make a big difference. I truly believe that the new executives that were hired are being used, are trying to make a difference. I think the problem is that the monster was so big and the culture of Ornge was so integrated amongst its staff that it’s gone beyond fixing internally.

Ms. Helena Jaczek: Elaborate for me. I don’t quite understand what you see is going wrong now. I need clarification.

Mr. Rick Horwath: What’s going wrong now is we’re still being regulated and monitored and being competed against by our biggest customer. I mean—

Ms. Helena Jaczek: So are you saying the only solution is for Ornge not to operate their own fleet?

Mr. Rick Horwath: In my opinion, that’s correct.

Ms. Helena Jaczek: And, of course, you would hope that your business would grow as a result of that.

Mr. Rick Horwath: I would hope that every SA carrier’s business would grow, not just mine. I’m not just here for myself. I’ve had a lot of competitors of mine that are also good friends of mine that have—some of them have ceased and desisted in the operating of Ornge because there’s not enough business for them. So it’s not just a—I’m not making a comment—

Ms. Helena Jaczek: Okay. I think we’ll probably leave it at that, but I want to ensure that we get all those emails that you’ve referred to. We need to know who you corresponded with and when.

The Chair (Mr. Norm Miller): Okay. Thank you very much.

Mr. Frank Klees: Chair, is there any time left?

The Chair (Mr. Norm Miller): There are eight minutes left of this round—

Ms. Helena Jaczek: Divided by three?

The Chair (Mr. Norm Miller): You can use it all. It’s all your time, if you want to use it.

Ms. Helena Jaczek: I’m happy to hear—I’m always interested in the comments of my colleagues.

The Chair (Mr. Norm Miller): Okay. We'll have a couple of minutes for each.

Then, go ahead, Mr. Klees.

Mr. Frank Klees: I just want to, Mr. Horwath, get some clarification between my question to you and your response to Ms. Jaczek so that we have it correct. If I recall, in response to my question about the unethical business practices, you made specific reference to the fact that on this last round of tenders, after the close of tenders, you received a call from Ornge asking you to change the numbers or consider changing the numbers or improve the numbers. Is that correct?

Mr. Rick Horwath: Yes. There was conversation to that effect, yes.

Mr. Frank Klees: Okay. I just wanted to clarify that, because I don't think, in response to Ms. Jaczek, that that was clear. That's a very important issue. I also want to just again confirm that in your response to me, you confirmed that you were assured that Dr. McCallum was aware that that call was taking place. Is that correct?

Mr. Rick Horwath: That's correct.

Mr. Frank Klees: Thank you.

The Chair (Mr. Norm Miller): Okay. Ms. Gélinas?

Mr. Jagmeet Singh: No questions.

The Chair (Mr. Norm Miller): Back to you, Ms. Jaczek.

Ms. Helena Jaczek: I would just, to pick up on Mr. Klees—what proof do you have of what you've just stated? I mean, did you make any notes at the time?

Mr. Rick Horwath: What proof do I have of—

Ms. Helena Jaczek: About who told you that Dr. McCallum was aware etc.

Mr. Rick Horwath: I think I stated earlier that through a potential string of who was cc'd on different emails, it would tell me to believe that he was included in that. I would believe that if his executive board knows that, he would be included in that.

Ms. Helena Jaczek: Sorry. If his executive—

Mr. Rick Horwath: I believe I've seen his name on different emails as either being cc'd or emails to him to that regard, and being told personally by different people that he was aware of it.

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Ms. Helena Jaczek: So you would be able to give us a list of the people who told you this?

Mr. Rick Horwath: I can look for that list, yes.

Ms. Helena Jaczek: I mean, this is a very serious allegation that you're making.

Mr. Rick Horwath: Yes.

Mr. Frank Klees: Can you think of any of those individuals who might have told you that right now? I mean, we'll give you some time to look at your files, but who, to your best recollection now, do you recall as telling you that McCallum would have known about this?

Mr. Rick Horwath: It would be Rob Giguere and Ted Rabicki.

Mr. Frank Klees: Rob Giguere and Ted—

Mr. Rick Horwath: And I do know that Patterson was involved.

Mr. Frank Klees: Okay. If you could get back to us if you have any further information on that, we'd appreciate that. Okay?

Mr. Rick Horwath: Okay.

Mr. Frank Klees: Thank you.

The Chair (Mr. Norm Miller): Are we finished? It looks like it. Thank you very much for coming before the committee today. We appreciate it.

SKYCARE

The Chair (Mr. Norm Miller): I believe our next witness is here, which is Mr. Frank Behrendt from SkyCare, the president of SkyCare. I'd like to welcome you. I just wanted to confirm that you have received the letter for a witness coming before the committee.

Mr. Frank Behrendt: Yes, I did.

The Chair (Mr. Norm Miller): Very well. Our Clerk will have you swear an oath or affirmation.

The Clerk of the Committee (Mr. William Short): Could you just pronounce your last name for the record?

Mr. Frank Behrendt: That's Behrendt.

The Clerk of the Committee (Mr. William Short): Mr. Behrendt, could you please put your right hand on the Bible? Thank you. Mr. Behrendt, do you solemnly swear that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. Frank Behrendt: Yes, I do.

The Clerk of the Committee (Mr. William Short): Thank you.

The Chair (Mr. Norm Miller): Thank you. You can take up to 10 minutes for an opening statement, and then we'll go to questioning from the three parties.

Mr. Frank Behrendt: Good afternoon. As a brief introduction, my name is Frank Behrendt. I am the president of SkyCare Air Ambulance. SkyCare is a standing offer agreement carrier that provides both primary and advanced care service from our home base in Sioux Lookout. We have been an SOA carrier for just over seven years. Personally, though, I've been involved in both the delivery and development of air ambulance services for over 30 years and in three different jurisdictions in Canada.

We want to thank you for calling SkyCare to appear before you and for the fact that you're making such a determined effort to expose and understand all the issues. A good friend of mine made a comment to me the other day that sunlight is often the best disinfectant, and a good airing out is desperately needed. It's healthy and is a key step in getting Ontario's air ambulance system back on track. Before I answer questions, I'd like to quickly touch on just a few points.

A simple one is just this simple fact that I think a lot of people have forgotten, and that is, prior to the formation of Ornge, Ontario had one of the most highly regarded and reputable air ambulance delivery systems in North America. It needed some refinements and a

process to facilitate continuous improvement, but it sure did not need to be dismantled. I think we all know that Ornge's management of that system has caused serious harm on many fronts, and it has brought the system into disrepute. That's one point.

Two, I think at the core, there's a core foundational thing that has to underline what has to take place, and I believe that it's understanding that there are three core fundamental accountabilities or responsibilities that the government has when it's looking at what it's doing with regard to air ambulance in Ontario. Those three core issues, or core responsibilities or core accountabilities, that the government must answer for are: First of all, it has a responsibility to the patient. Patients have a right to expect prompt access to safe, high-quality care. That's number one. That's got to be the number one priority, and it is so often getting forgotten because people have all of these personal agendas, empire agendas, business agendas, bureaucratic agendas or political agendas, and that gets forgotten.

The second accountability or the second responsibility that the government very clearly has is to the taxpayer. I mean, that's obviously true. The taxpayer has a right to expect that they will get fair and full value for the taxes that they've paid to the government. Another point on that is simply that, at least in my life, I have not found money to grow on trees. There is a finite resource available to us. The fact is that integral to the accessibility of a service is its affordability. If you make a service unaffordable, how can you possibly hope to have access to it?

When you take a look at what's gone on, you've gone from a \$90-million budget to \$150 million, plus you've gone and borrowed \$300 million to hand this over to somebody. You've got half the bases and half the aircraft in Ontario, and you say, "What's wrong?" It's pretty obvious that there's something wrong with that. So there's a fiscal accountability—a fiscal obligation—and there's an obligation on all of our parts, including the business community's part, to ensure that the services that are available are affordable, because if they're not affordable, they will not be accessible.

Thirdly, I believe that the government clearly has an obligation to the economy. That may seem like an odd thing to be talking about at an air ambulance discussion, but the fact is that when the government is making decisions, at the very least it has to take the position that it's not going to harm the economy. Certainly, my expectation as a taxpayer is that the government is going to support the economy, it's going to stimulate the economy, and that it's not going to come along and undermine the economy.

With what transpired, I've certainly seen first-hand where small communities lost service and lost local businesses, and the economy in the local area was diminished because of some of the decisions that were made that resulted in some carriers having to shut their doors or substantially downsize.

Very clearly, I see these as three priorities when you're taking a look at what the future is: (1) You have to

consider the patient; (2) you have got to get best value for your money; and (3) there is an opportunity in this money that's being spent to stimulate and support the economy. You need to make sure that all three of those—I believe that those are three core fundamental issues that are underlined, that must be addressed. It's the patient, the taxpayer and the economy.

Another observation that we have—just another quick point, and I guess this speaks a little bit to some of the things that Rick was saying. It's our observation that people have been fired from Ornge, but has structural change been made to address the conflicts of interest that exist? We haven't seen that. The structural flaws, the very core conflicts of interest, continue. It's a bad business model.

The Canadian Business magazine put out an article on the state of the Canadian health care system, and the article was titled—I've got to make sure I get it right—"The Worst-Run Industry in Canada: Health Care." One of the things that they talk about in the worst-run business being health care, one of the things that they state and they refer to in here is the failure to follow even the most basic business management principles. What is the core principle of fairness that you're following? If you don't get the principles right, your foundation is going to fail.

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When we look at Ornge and as we continue to watch what's happening, we're pleased to see some changes and we're pleased to see that there are people who are making a lot of effort. It's not just about firing this bad guy or that bad guy. It's about addressing some of the core operating principles and philosophy that is the structure behind the organization. You need to take a look at that.

Another point that I would want to speak to—I'm jumping from subject to subject here; I hope you don't mind. I have this comment to make about the overall strategy that needs to be looked at in the future, and that is that many strands make for a strong cord. I think that you need to be, and the government needs to be, extremely cautious. They need to beware of anyone who wants it all. If you have somebody looking to be a sole supplier, I think that you need to take that with a big grain of salt. A sole supplier, in my view, is a disaster waiting to happen. The fact is that we see this in so many places in life: Two is better than one. A multiple cord makes for a much stronger cord. You want fail-safe. If you go with a single cord, you will not have fail-safe.

I have to put a plug in; I'm jumping to another point. Ontario's air carriers have provided, and they continue to provide, exceptional air ambulance services and financial value to the province of Ontario. I know that Rick had mentioned—there was some question about whether there was communication on the issues that were going on. Because I was a member of the Ontario Air Transport Association, I can tell you that the Ontario Air Transport Association lobbied aggressively, from 2007 forward, on multiple levels, to draw attention to what was going on. I

think you may be interested to read—I believe that Bob Mackie, in his presentation previously, had provided a copy of the letter that went to the minister, I think it was in May 2011, or whenever it was. That was a culmination of multiple efforts and multiple presentations that were made. I think you would find it an interesting read at this point, at this juncture in time, as a refresher of some of the information that was out there. Certainly, in light of what has been exposed, in this sunlight that is working as a good disinfectant right now, you might find that some of that would be an interesting read again.

The Chair (Mr. Norm Miller): We are out of time for your opening statement, but there may be time at the end, so just save the rest of the comments or work them into your answers, if you like.

Mr. Frank Behrendt: Okay.

The Chair (Mr. Norm Miller): We'll move to the NDP and begin with Ms. Gélinas.

M^{me} France Gélinas: I was interested, when you started to talk about the overall strategy, and you make this analogy to a stronger rope coming from many different strands being pulled together and you link that to fail-safe, which is a basic principle in aviation: What exactly did you have in mind specific to Ornge, not theoretically?

Mr. Frank Behrendt: Okay—

M^{me} France Gélinas: Specific to Ornge and your business, of course.

Mr. Frank Behrendt: Yes, okay. Specific to the air ambulance delivery system in Ontario rather than just specific to Ornge, I strongly believe that there is a need to make sure that you have capable and multiple suppliers. I think that the sole-sourcing idea is a very dangerous idea. Any time that you go with a singular solution, what happens if that solution fails? Tragedies do happen; we know that. Things can happen. Even if you put your trust all in—look what happened to the airlines that recently had to ground the entire Boeing 787 fleet over a battery. What if the Agusta helicopter, which has had some airworthiness directives come out of it and some problems where they've had to reduce their availability—if you're relying on that one single type, if you're relying on that one single supplier, that one single type of aircraft, any time you have any major problem occur with that one source, you have no options. So I think that there's a real need to be careful about that, and I think that a multiple supplier solution is an appropriate solution.

M^{me} France Gélinas: I have other questions, but just quickly, do you know within the industry how many use Pilatus versus other types of aircraft to do air transport?

Mr. Frank Behrendt: In Ontario?

M^{me} France Gélinas: Yes.

Mr. Frank Behrendt: There are three carriers in Ontario that are using the Pilatus, and there are three carriers that, for sure, are using other aircraft types.

M^{me} France Gélinas: So your analogy with the grounding of the Boeing would be that if something

happened anywhere in the world where the Pilatus needs to be grounded, we're doomed?

Mr. Frank Behrendt: Well, I'm just using that as a single source example. Let's say that, for instance—I mean, this is a difficult subject because there was recently a tragedy, and so that's a difficult thing to delve into. But if you have a company—and we know from first-hand experience that tragedies do occur—so you have something like that happen. What if that operator has to temporarily suspend operations? Then what are you going to do? There were questions with regard to the financial strength of companies. What are you going to do in the system if you have one company that runs into financial difficulties, for whatever reason? A lot of companies ran into financial difficulties through this very difficult transition with Ornge. There wasn't a carrier that wasn't scrambling to restructure their business in one way or the other. Everybody had to do it, and some carriers didn't make it.

So whether it's finances, whether it's an accident, whether it's an aircraft, whatever the case may be, if you're relying on a single source, you're in trouble. If you have multiple sources, you've got redundancy to your system. We like redundancies in aviation. We always want redundancy. There's always got to be a fallback, there's always got to be a backup system. Where's your backup system?

Mr. Jagmeet Singh: Hi there. Good afternoon. Just some brief questions to follow up. How long has SkyCare been in business?

Mr. Frank Behrendt: SkyCare has been in business for seven years.

Mr. Jagmeet Singh: Seven years, okay. And when did you first start working with Ornge?

Mr. Frank Behrendt: Day one.

Mr. Jagmeet Singh: Day one, okay. When you were working with Ornge, was there any distinct moment or a discrete time where you noticed there was something not going well at Ornge? When was that, if you could put it into a year?

Mr. Frank Behrendt: I would say 2007.

Mr. Jagmeet Singh: In 2007. And what was your first indication? What was it that set you off that something wasn't going quite right at Ornge? What was that indication?

Mr. Frank Behrendt: There were odd relationship issues.

Mr. Jagmeet Singh: Okay.

Mr. Frank Behrendt: A simple one: One of the things that we saw was that decisions were being made that you were really scratching your head about—

Mr. Jagmeet Singh: So what was a decision that was being made that—

Mr. Frank Behrendt: Well, one that we thought was just a shocking decision was that Ornge gave a decree that there was to be no advanced care provided by the SOAs for inter-facility transport. That created an immediate crisis, and they didn't communicate it. They didn't tell the hospitals in advance that they were doing

that. They didn't tell the carriers, and at that time we weren't providing any advanced care. But I know with other carriers, the phone stopped ringing. There was no communication that this was coming, and then there was no explanation for it for two years. It was two years after the fact before Ornge finally talked to the carriers about what their reason was, and the reason didn't wash.

Mr. Jagmeet Singh: Okay. And what about actual patient care? Anything that you noticed with respect to patient care or service provided to Ontarians? When did you notice, or did you notice, there was any sort of problem in that area?

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Mr. Frank Behrendt: Oh, 2007. That was a disaster, the inter-facility advanced. You talk to the hospitals about the stress that that put them under and the patient wait times bumped up, because there were only two options to transport a patient when that decision was made: They either had to wait for an Ornge aircraft, which wasn't, a lot of times, available because there was now too much traffic for them to handle; and the other was that the hospital had to take a nurse or a physician off the floor and send that nurse or that physician on a primary aircraft to transport that patient, and we've seen some terrible things in that.

Mr. Jagmeet Singh: So one discrete or distinct thing you noticed was increased patient wait times for inter-facility transportation?

Mr. Frank Behrendt: Oh, absolutely.

Mr. Jagmeet Singh: That's what you noticed? Okay. Was there anything else that you noticed, a distinct service issue or a patient care issue?

Mr. Frank Behrendt: Well, certainly our patient care didn't change. I'm not privy to what was going on within Ornge in terms of its patient care, but the one that we've talked about was very substantial.

M^{me} France G  linas: Did you or anyone at your company ever try to reach out to the ministry so that they would know what was going on on the ground? I mean, two years—I live in the north, so I'm fully aware of those long delays—is a long time. Did any of you reach out? Who did you reach out to and what kind of answer did you get back?

Mr. Frank Behrendt: Well, the communication—I mean, you've heard Rick's comments. When you have an organization that is 100% in control of your revenue and your business and with the flick of a switch can put you out, and when that organization is being very aggressive in its actions with you and when you're making inquiries and you're not getting any help with that, you have an—I would give the analogy that it's an out-of-control bully in a schoolyard beating up on people and the teachers are watching, and then people are saying, "Why didn't you go do something? What did you do as carriers to solve this problem?" Well, some of the carriers stood in the corner and got a licking. What were they going to do? What recourse did they have? I don't know what recourse they had except to try and take it to court, but then if you're in a legal dispute, it was like, "Okay, well, now

what are we going to do?" So what were the recourses? I don't know what the recourse was and I don't know what the carriers could have done.

The carriers—there was an association that was formed out of that, the Ontario Air Transport Association. The carriers that were not even involved in air ambulance started lobbying the government because they were very upset by what they had seen happening, and they were very concerned at the trend. They were going, "What's the government doing getting into the airline business? They've got enough challenges." The perspective is that with the airlines, people think that—has anybody looked at the financial returns in the airline industry? The margins are extraordinarily tight. It's a brutal fiscal environment, with high risks associated with it, so it's an extremely challenging environment to manage. So the carriers' perspective was sort of one of shock, of, "Really? They're going to get involved in the airline business? How is this going to go?"

M^{me} France G  linas: Well, the results speak for themselves.

Mr. Frank Behrendt: Yes. So the recourse was that there was an association formed that was actually led by some non-medevac companies that then made numerous attempts to lobby the government and bring things to the attention of the government.

M^{me} France G  linas: When the people would come to your base and do their audits so that you could keep on doing the medical side, did you ever talk to them?

Mr. Frank Behrendt: Oh, yes.

M^{me} France G  linas: Did they offer solutions or offer follow-ups or—

Mr. Frank Behrendt: Do you know how—I'm trying to think of how to explain that. You know, sometimes, something has to develop. It has to go through a cycle before—I believe that the government truly believed what they were being told by Ornge, that, "Hey, there's all these problems out there; we're going to fix them. You just watch what a great job we do. And yes, you're going to hear some complainers come to you, but they're just complainers, so don't listen to them." So there was a credibility issue in that, who are we? The Ontario air transport—I mean you're just these little business guys over in the corner here, and who's going to listen to them when you've got experts telling you that we're going to do it better?

So I think that, I guess in some fairness to the government, they were sold a bill of goods that was very well packaged and very well presented. They bought that. Until some of the mold and rot of it started to come out and some of the stinky things started to come out of it, it wasn't until then that it finally got exposed.

M^{me} France G  linas: Do you think that because you're a small business owner in northern Ontario that you're easier to ignore?

Mr. Frank Behrendt: Oh, absolutely, yes.

M^{me} France G  linas: You're further away from the big centre; they'll never hear you.

Mr. Frank Behrendt: Yes.

M^{me} France Gélinas: Sorry, go ahead Jagmeet.

Mr. Jagmeet Singh: Were you aware of what the ministry was doing in terms of regulating or providing oversight of Ornge? If you are not aware, then you're not aware.

Mr. Frank Behrendt: No, I'm not aware

Mr. Jagmeet Singh: In terms of what the ministry was doing with your agency, how regularly or how often was the ministry inspecting your premises or your services?

Mr. Frank Behrendt: The Ministry of Health audits us to renew our air ambulance licence once every three years, I believe it is. The MNR, when we bring an aircraft online, goes through an approval process and then we don't get audited with them, but they've stopped by for visits and checkups and things like that.

Mr. Jagmeet Singh: Given your personal knowledge with your air carrier service, in terms of the inspections, you indicated MNR doesn't do an audit but does pop by, and the Ministry of Health does a regular audit. What are your feelings in terms of the ministry, whether they succeeded or didn't succeed or how they discharged their duties to supervise Ornge? Do you have any comments with respect to that?

Mr. Frank Behrendt: Well, I think that there are two aspects to that: the rear-view mirror and looking forward. In the rear-view mirror, obviously there were failures. Looking forward, we see some sunshine, and I'm looking for a brighter day.

Mr. Jagmeet Singh: That's good. What's your current relationship with the Ministry of Health?

Mr. Frank Behrendt: Good.

Mr. Jagmeet Singh: And with Ornge, what are you currently contracted to do, if anything?

Mr. Frank Behrendt: We're based in Sioux Lookout. We have three aircraft—two right now, a third one coming online. We provide primary and advanced care service. The one aircraft is just a backup aircraft that's coming online.

Mr. Jagmeet Singh: And how regularly do you provide services for Ornge?

Mr. Frank Behrendt: Regularly. Almost daily.

Mr. Jagmeet Singh: In terms of the future, what do you see for the future of air ambulance in Ontario?

Mr. Frank Behrendt: Well, I hope that you're going to give excellent direction and that out of this are going to come some very good ideas. I hope that there is a team effort that's brought about. If I looked at it ideally, I'd say, well I sure hope that there's a multi-carrier strategy. I hope that the conflicts of interest that exist are ended. I hope that there's a fairness in the bidding process. I hope there's an independence that's given to the Ornge dispatch centre—so that's what I hope.

I want to make one comment, because we're talking about Ornge so much in a negative tone, and I have to say that Ornge has the front-line staff—I'm very fortunate to have some extraordinary people who are very passionate and very committed and very dedicated to the work that we do. Ornge has the same. They have a lot of

very dedicated people. One of the gems that Ornge has is its dispatch centre. That dispatch centre is trying every day to do the right thing, and they ought not to be interfered with because of conflicts of interest. They need to be given the freedom to do their job.

Mr. Jagmeet Singh: I have one last question before perhaps my colleague has some more questions.

What would you recommend, just off the cuff, in terms of a model where we have public and private working together to deliver air ambulance services? Just in your mind, what would be an effective model to do that? Right now, we have Ornge, which does have rotary and fixed-wing aircraft and does have the medical personnel. How do you think that would work in tandem in an effective way, in an efficient way, in a way that would help Ontarians with providing public and private—kind of a mix, I guess? I'm assuming that's what you're advocating. How do you think that would work?

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Mr. Frank Behrendt: Well, I think that Rick made a good point. I made a point right at the beginning to say that something that we all have to back up and take a look at is that Ontario, in the past, has had a highly reputable and regarded air ambulance delivery system. No system is perfect. You're not going to find the perfect system, but there are cores that you need.

I think that the biggest challenge right now to Ornge, that you've got to find some way—and I don't know what the solution is. I don't have a solution to this. You have to have some way to end the conflict of interest that exists, because I can tell you that it's only a matter of time—there's lots of egos in the business, right? In politics and in business and even in bureaucracies, there are lots of egos. You've seen the repercussions of that. Sooner or later, somebody's going to be very ambitious, and they're going to want to do something with—“Oh, hey, I've got control of this.” I think that you have to be very careful to put checks and balances in to not ever allow that to happen again in the future.

The Chair (Mr. Norm Miller): You have two minutes left.

M^{me} France Gélinas: I was interested in your comments about the dispatch. In line with what my colleague is saying, do you see an advantage or disadvantage of having the dispatch within an aviation business?

Mr. Frank Behrendt: Oh, it can't be within. It has to be removed from the aviation business. It cannot be part of the aviation business. It has to be independent, because its primary focus has to be “I'm getting that patient looked after.”

M^{me} France Gélinas: And it is not now. So can you give me a clear example as to why this is bad?

Mr. Frank Behrendt: Not to say that the dispatch centre currently is being run by the aviation. From what we can see, there have been improvements that have been made. They are trying to do their job, and they are doing a good job. But you still have that fundamental underlying relationship that's tied together there where you have them tied very closely to this air operator. I just see

that as, you need to break that tie. Until you break that tie, you're always going to run that risk, a very high risk, of contamination taking place.

M^{me} France G  linas: Thank you for coming. It's appreciated.

The Chair (Mr. Norm Miller): We'll move to the government. Ms. Jaczek.

Ms. Helena Jaczek: Mr. Behrendt, you came to Ontario to establish SkyCare seven years ago, meaning 2006. Is that correct?

Mr. Frank Behrendt: That's correct.

Ms. Helena Jaczek: Who was your first contract with, as it relates to transportation of patients?

Mr. Frank Behrendt: It was actually before—it was Ontario air ambulance services—

Ms. Helena Jaczek: Which was directly operated by the Ministry of Health and Long-Term Care.

Mr. Frank Behrendt: Yes. I think that we came on just before the formation of Ornge. I was familiar, and I had worked with a company that was doing work in Ontario before that. I had worked previously under the MOH with a different company. But then when I independently started my own company, that was just in that transition when it was switching over to what would now be Ornge.

Ms. Helena Jaczek: Previously, the researcher—thank you very much—has determined that you were in Manitoba with Skyward.

Mr. Frank Behrendt: I was in Manitoba, and I was also in the Northwest Territories.

Ms. Helena Jaczek: What was your position at Skyward Aviation?

Mr. Frank Behrendt: I was the president of the company.

Ms. Helena Jaczek: We have some information that there were some problems with Skyward, that that company was dissolved. Can you give us a little bit more information?

Mr. Frank Behrendt: Yes. I'm not sure what—

Ms. Helena Jaczek: Why did Skyward—

Mr. Frank Behrendt: That's going to take about three hours.

Ms. Helena Jaczek: Why does Skyward no longer exist as a company?

Mr. Frank Behrendt: Skyward went into receivership, and by the time we got it through the receivership, the investors that were in the company simply did not have the wherewithal or the interest to keep the company going, and so the operation was terminated. Part of the receivership thing was a dispute with Transport Canada, and the company didn't survive that, is really what it boils down to.

Ms. Helena Jaczek: We were given a quote. It is the Canadian Press NewsWire, January 31, 2005: "A Manitoba airline that serves the north through passenger and medical flights has had its entire fleet of 25 planes grounded by Transport Canada due to safety concerns." Do you have any comment?

Mr. Frank Behrendt: Well, if you'd like to get into the whole story of that—

Ms. Helena Jaczek: No, I really don't want the whole story. I just want to know perhaps what those safety concerns were and what steps you took to redress them.

Mr. Frank Behrendt: I guess the company never had the opportunity to address those because, just as a for example, Transport Canada did not provide those to the company until substantially after—some 30 days or so after—it had initiated its action. The company just never had the opportunity to address them, in terms of being able to answer them. That's all I can say to that. I can tell you that if you want to go into a long discussion about it, we can go through it all—

Ms. Helena Jaczek: No, that's quite sufficient, thank you. So you—

Mr. Frank Behrendt: I can tell you this: Skyward had the best safety record of any company its size in Canada. In hundreds of thousands of hours, it never had a serious injury or fatality.

Ms. Helena Jaczek: Thank you.

You came to Ontario, and obviously SkyCare is providing exemplary service, and the record is there in terms of the fact that you are providing coverage now and have been fully accredited and certified etc. However, you came to Ontario in 2006, and you made an assertion in your opening statement in relation to the fact that, previously, air ambulance in Ontario had been provided through private companies and apparently was exemplary, or you felt it had been of very high quality. Is that correct?

Mr. Frank Behrendt: Yes.

Ms. Helena Jaczek: The Auditor General, I believe in 2007, did actually do a review of air ambulance service in Ontario at that time, as provided by private companies. Actually, there were a number of questions related to costs, escalating costs, and it was something that was, in fact, directed to the Ministry of Health and Long-Term Care, that they needed to examine very carefully those escalating costs. Were you aware of that?

Mr. Frank Behrendt: I'm aware of some of that. I'm not aware of all of the reports. I know that there's a Donner report. I haven't read that report, but I was aware of some of the Auditor General's information, yes.

Ms. Helena Jaczek: In terms of the fiscal challenges in the aviation business, you made a number of comments in that regard to my colleagues. Some would say that because those challenges could result in companies perhaps removing themselves from the marketplace, as Skyward did in Manitoba, it is necessary, in fact, for such an essential health service to have a public supplier of that service. How would you react to that?

Mr. Frank Behrendt: How's it going for you? I mean, with no disrespect, if you take a look—

Ms. Helena Jaczek: What do you mean?

Mr. Frank Behrendt: Well, you have gone to a public—you have Ornge. You have Ornge Air. How's that working out? It's a disaster is how it's working out.

Ms. Helena Jaczek: You think it's currently a disaster?

Mr. Frank Behrendt: If you take a look at the built-in cost structures that you now have, you've gone—if you take a look, you had a \$90-million budget. You have now a \$150-million budget, plus you have had hundreds of additional other millions of dollars spent. You have fewer aircraft and fewer bases. Ornge has said that there are more bases, but that's an Enron accounting procedure, because what they're doing is, they're talking about their bases, only their bases; they're not talking about all of the bases that were in existence in Ontario. Because if you're going to say that there's service available, you can't exclude and say, "Oh, we're not going to count the SOA carriers" and say that they don't have bases. Obviously, they do.

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Fort Frances is a perfect example. Fort Frances used to have a carrier base there, and then with all of this restructuring they just weren't able to survive, and so they moved out. They shut the doors and moved out. They actually moved out of the province. So that base is closed, and that's come at a cost, because now, instead of being able to just take a patient from Fort Frances to Winnipeg and back, they have to bring an aircraft either from Sioux Lookout or Thunder Bay.

The other thing that happens is, when you have, particularly in the fall time—there actually was an example of this, where there were multiple days—there's a mill and a river and there's the runway. So in the fall time, it's very common to get very low ceilings and fog there. If you have an aircraft on the ground there and you have a half-mile visibility, you can legally depart from there, but you can't land there, you can't get in, because the approach is too high and you're not going to be able to see to land. Because you've lost that service, you've increased costs, and then all of a sudden, in the fall time, when it's not uncommon to have poorer weather days, that service is not available. So it's not fair to—

Ms. Helena Jaczek: Okay, thank you, Mr. Behrendt. How much of your business is related to your contract with Ornge, and how much have you expanded the way Air Bravo has to other business opportunities?

Mr. Frank Behrendt: I think that every carrier in Ontario made alternate plans—

Ms. Helena Jaczek: Diversified.

Mr. Frank Behrendt: Yes.

Ms. Helena Jaczek: Which is a good business practice, I'm sure you'd agree—

Mr. Frank Behrendt: Yes, it is. We were initially focused 100% on the air ambulance, but then, when the future became so clouded and there was so much controversy that was going on, at that time we did diversify our business. We had an opportunity to diversify—

Ms. Helena Jaczek: So could you give us kind of a percentage? How much is air ambulance related to Ornge and how much is the rest?

Mr. Frank Behrendt: I would say that we're 60-40, 55-45, somewhere in there, the larger part being the medevac.

Ms. Helena Jaczek: If by some change in policy the Ornge directly operated air fleet were to disappear, would you bid on additional air ambulance opportunities in Ontario?

Mr. Frank Behrendt: Yes, I would.

Ms. Helena Jaczek: So you clearly have a private personal financial interest in seeing the end of Ornge operating its own fleet?

Mr. Frank Behrendt: You know what? I think that as part of my thing here, I had a closing comment that I had prepared or that I was going to just comment to, and I'm going to just refer to that.

There are many lessons to be learned from this, what's taken place, because I don't think that anybody can say that what we have is an ideal situation that transpired. You can't say that what's there has been healthy. You can't say that what's been there has been financially prudent. You can't say that it's been good for the patients. You can't say it's been good for the hospitals. You can't say it's been good for the nursing stations in the north. You can't. There have been problems. But you know, there's something that all of us have to pay attention to, because this isn't about me and it's not about your party's political ambitions, your party's political ambitions or your party's political ambitions. That's not what it's about.

I said before what the three priorities are: It's about patient care, it's about fiscal responsibility and it's about a government's responsibility to support an economy. That's what it's about.

My personal motivation has to be set aside. Sure, I have ambitions, but I don't have ambitions to take over the world. I want to provide a good service; that's what I want to do. I want to do my part. I live in the north; that's my home. The people who we serve are my neighbours. That's who I want to serve, and I want to do a good job at that. I think that you have to be wary of anybody that's ambitious and that is trying to score points, because you've got to go back to the core responsibilities that exist, and you've got to address those. That's what's got to happen. It's got to be fair, it's got to be responsible, and I think that it hasn't been fair or responsible at times. You've heard, I think, some atrocious stories of things that have taken place.

Ms. Helena Jaczek: Thank you for the lecture, Mr. Behrendt. A yes or no would have sufficed. We are here in the public interest, and I'm sure all of us around this table are very conscious of that. We're well aware of the problems that existed. We want to make sure that they are prevented in the future, and we are most interested in the current status of what's happening at Ornge, and from your comments, I have heard some allusion to improvements.

Mr. Frank Behrendt: Yes.

Ms. Helena Jaczek: But you've also talked about conflict of interest in the bidding process.

Mr. Frank Behrendt: Yes.

Ms. Helena Jaczek: Explain to me again, please, where you see the conflict of interest.

Mr. Frank Behrendt: I do not understand how—Ornge Global Air is nothing more than another commercial air service; that's what it is. It's another commercial—you go and check; it's an incorporated company. You go and check on the Transport Canada website. You go and find out they're another commercial operation. And yet, you've handed them, literally, at this stage of the game what we would have to estimate is literally hundreds of millions of dollars' worth of contract, and there has been no fiscal accountability. There's no tendering to that. I don't see that that is fair or reasonable to the taxpayer or anybody.

Ms. Helena Jaczek: So you don't see that the Auditor General conducting a value-for-money audit on the Ornge fleet operations would be sufficient to investigate any concerns the taxpayer might have?

Mr. Frank Behrendt: Well, I think that there are—you know, I'm going to just say that—what are the principles that you're following? What are the business principles that you're following? If you take a look at this article, it's a very interesting read, on the crisis in the health care system and the fact that there is—you know, one of the things that they identify is this basic failure to follow good business principles.

It's interesting if you take a look at the word “principle” and what “principle” means. Principle is a course of action that—it's a rule of behaviour, it's a course of action, and the outcome is for sure, and if we don't follow good basic business principles, what do we think the financial outcome is going to be? The financial outcome is not going to be good.

Ms. Helena Jaczek: Well, my assertion would be simply that government is not business, and there are different principles at stake.

How much time do I have, Mr. Chair?

The Chair (Mr. Norm Miller): You have four and a half minutes.

Ms. Helena Jaczek: I think I'll reserve it.

The Chair (Mr. Norm Miller): Very good. We'll move on to the opposition: Mr. Klees.

Mr. Frank Klees: Mr. Behrendt, I'd like to follow up on your comments about the structural flaws and the conflict of interest. I think we have a responsibility, clearly, to get this right, and as Ms. Jaczek has indicated, we're more concerned about the present and the future than we are about the past. We've had lots of testimony. We know all of the things that have gone wrong. What we'd like to do now, as we conclude the work of our committee, is to ensure that in our recommendations we get that right, and it will be up to the government to decide whether they follow those recommendations or not.

The reason I was looking forward to hearing from you and your colleagues who are on the private sector side of the delivery equation here is that you have experienced this world pre-Ornge and now, currently. I want to pick up on your comment about the structural flaws that are in place, and if you could be very specific, that would be helpful to the committee. What structural flaws do you

see, and what would you do, or recommend be done, to fix those?

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Mr. Frank Behrendt: I think that there are two that I can picture, off the top of my head. One, your eggs are all in one basket. Don't drop it. Again, we talked about a difficult subject earlier, and that is an accident. There recently was an accident. You've got all your eggs in that one basket. You have no other backup to it. You have to give special rules, special dispensation, to be able to ensure the integrity of the system, in that you may then have to compromise on certain areas where you may have to keep operating where you maybe shouldn't operate. There's going to be tremendous pressure to do that.

Obviously, there was tremendous pressure on Ornge recently, where they had to continue to operate to ensure the integrity of the service, because then what do you do? So, one, you've got your eggs all in one basket, and I think that's a very risky thing.

Secondly—

Mr. Frank Klees: Before you go there, I'd like to just challenge that, for the sake of the argument. There will be those who say that we don't have all of our eggs in the same basket, because you're here. On the fixed-wing side, we have Ornge in the fixed-wing business—they've got their 10 Pilatus aircraft—and we have five standing agreement providers. There is a semblance of diversity there. We've got some competition built into the system. From that standpoint, where does that leave your argument about all the eggs being in the same basket?

Mr. Frank Behrendt: Well, that's a fair point; that's a good point. I guess, one, you don't have any SOAs, though, that are in the helicopter operation side of things. Certainly, your helicopter operation is very clearly a one-basket affair.

It is true that the SOAs could step in if something happened on the fixed-wing side. It is true that that is a resource that could be utilized.

Mr. Frank Klees: I accept that argument on the helicopter side, because I think, to your point, should Transport Canada have stepped in and ordered all of those helicopters to be grounded because of their findings—which may still happen, right? We don't know. Then we have a problem. So to have more than one supplier or provider makes good sense, and I buy that principle.

I'd like to go back, however, to your comment about Ornge Global Air and the fact that you, as a provider, are actually bidding into an organization that controls you, as we have had some evidence earlier. They set the standards, they set the terms of reference for the requests for proposal, but they're also a competitor.

Mr. Frank Behrendt: Correct.

Mr. Frank Klees: Correct?

Mr. Frank Behrendt: Yes.

Mr. Frank Klees: So would I be correct in assuming that part of that structural flaw that you're concerned with is that inherent conflict of interest, where you really don't have a competitive environment; it's an artificial environment. What if Ornge Global Air was spun out

into a separate organization and Ornge Global Air had to bid on a level playing field? Do you think they could?

Mr. Frank Behrendt: Under the current circumstances—as they’re currently operating right now, I don’t think they can.

Mr. Frank Klees: Why would you say that?

Mr. Frank Behrendt: I don’t want to say. Sorry. You see, I don’t want to fix their problems or strengthen their and, in one regard, but at the same time, I’m a taxpayer, so I ought to, right?

As we watched Ornge, they spent money like drunken sailors. You just watched what they were doing and you were going like, “Oh, my goodness. Money is growing in a tree somewhere”—that’s certainly one of the things that we had as an observation.

The other is—and I guess Rick already raised the subject, one of the concerns that we have. Here’s my concern: I’m going to say something, they’re going to go fix that problem, and then that’s going to have a direct and substantial impact on our business. So I’m going to say it, but it could potentially have a big comeback on the standing offer agreement carriers. What Ornge has, and they knowingly did this, they’re sitting at an overcapacity situation with their aircraft, plain and simple. You cannot make the capital that they have and just park it on a ramp. As an operator, if I had the capital that they have sitting around, I would be broke in a month. Literally, I would be bankrupt in a month. There is no way that I could afford to do what they’re doing. I mean, they have this tremendous capacity. They have the capacity to nearly—they’re sitting on capacity that could be harnessed to do substantial harm in the marketplace still.

Mr. Frank Klees: Would you agree—and by the way, thank you for articulating that, because we see that. It’s impossible, it’s absolutely impossible to keep an organization alive without substantial subsidy from tax dollars for the kind of assets that they have, the overhead that they have, the fixed costs that they’ve committed to, let alone the bond offering that has to be looked after. We understand that, which is why we’re desperate to get to the point where we can actually get some factual information on the table so that we can make the appropriate recommendations to deal with this.

Our concern, some of us around this table, is that there’s much more intent about protecting the existing model, which I think we all agree has been flawed. The point has been made that you can fire the people, but if you’re still stuck with a flawed structure, we’re just going to repeat that, and we’ll varnish it as opposed to actually dealing with the issue.

I would like to go on to another point that you made and Mr. Horwath made as well and that’s around the dispatch. I think the term that you used was that it should not be interfered with, the dispatch. We’re not talking about the front-line people. You’ve complimented the work that’s being done there, and I think everybody around this table agrees that we have excellent front-line people. Our responsibility is that they have the privilege of working within a structure that allows them to be the

best that they can be. Could you address this issue of dispatch and what kind of conflict exists there?

Mr. Frank Behrendt: Well, I can speak historically and I can project that to the future. Historically, what we have seen happen is that there have been times where all of a sudden our business has dramatically dropped off, and then our crews are hearing a Timmins-based airplane coming in to Fort Hope to pick up a patient to go to Thunder Bay, which is a long ways out of the way for them, when our airplane is sitting right there.

An airplane faring from Thunder Bay going up to Sandy Lake, which they overfly, is double the miles—or going to Pikangikum or wherever to bring a patient to Sioux Lookout. It’s twice as many miles they have to fly, but there’s a dispatch protocol then where—again, I can’t bring you concrete proof of that, but you look at it and you go, “Well, obviously, they’re dispatching; they’ve been under instructions to dispatch their own aircraft for this even though it may mean double the miles that they have to fly.” You look at it and you go, “Okay.” You’re deeply suspicious about what’s going on because of the track record—for instance, in the dispatch, when they gave the instruction on the no inter-facility advanced, when the dispatch was given that instruction. That was very clearly somebody manipulating dispatch for an end gain, somehow or other, for the larger organization. It wasn’t in the interest of patient safety or patient efficiency; it was an end gain for something.

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Having seen that take place, I’m a doubter and I have no confidence, because my confidence in the integrity of that has been shattered. And what was the basis for that? It was because of the relationship with the airline, because, “Hey, we’ve got to drive business into our own fleet.” So then, all of a sudden, you’re making policy decisions to drive the business into your own fleet. And where are you taking it from? You’re taking it from somebody else to drive it to your own fleet. You’ve made a decision to overbuy in terms of having 10 airplanes. You didn’t need 10 airplanes.

So looking forward, I just don’t have a strong confidence that that’s not going to happen again and again and again, whenever things get tight.

Mr. Frank Klees: A practical argument. Has this ever been raised with Ornge?

Mr. Frank Behrendt: It’s in the letter that OATA had presented. Absolutely, yes.

Mr. Frank Klees: That would have been to the previous executive, the previous board—

Mr. Frank Behrendt: Actually, that went to—sorry, no. That went to the Minister of Health.

Mr. Frank Klees: I would think that that should be something that the current executive should be confronted with. This is something that I would expect the current CEO would want to answer to.

Again, the question that one has to ask around this table is: How much self-preservation is taking place with these decisions that are being made? Some of that self-preservation may be down two or three management

levels as opposed to the board having knowledge of these things.

What would be very helpful is if you could articulate what you've just explained to us, and send it forward to us by way of a recommendation. We would like to move that forward to the CEO at Ornge and ask that there be a review. There must be a way to audit this, if in fact these things have been taking place. We have the historical data in terms of how the dispatch has been done, where those patient transfers have been made, and I would think that there would be a way to audit that and get a handle on it. Would you agree?

Mr. Frank Behrendt: I think so, yes, potentially.

Mr. Frank Klees: Well, if you could do that, we'd appreciate it.

Mr. Frank Behrendt: I could do that, yes.

Mr. Frank Klees: I'd like to just pass and come back on closing—

The Chair (Mr. Norm Miller): Okay. I believe the NDP used all their time, so we'll go to the government. Ms. Jaczek.

Ms. Helena Jaczek: Do you have any evidence—you said in the past that Ornge was spending like drunken sailors. Any evidence that the current administration is spending like drunken sailors?

Mr. Frank Behrendt: No.

Ms. Helena Jaczek: Thank you. In terms of the dispatch, I think you've raised some interesting points. Certainly, when we heard from Dr. McCallum, he was very clear that dispatch had a way to go, that they were converting to a new system. In your example that you gave of this long, roundabout trip to sort of drive the business, so to speak, to the Ornge aircraft, how long ago would that be? Are you seeing this on an ongoing basis now?

Mr. Frank Behrendt: I can't give you an example—no, that would have been—now, when was that? That would have been—I would say it was at least six months ago, maybe a little longer than that.

Ms. Helena Jaczek: Okay.

Mr. Frank Behrendt: And in terms of current examples, I don't have anything that I can give you as a current example, just that we knew of multiple examples and so there was that trend there. But I don't want to—because there's two things we're doing here, right? We're looking in a rear-view mirror, so we're looking behind us and we're also trying to look forward, and I appreciate that the new leadership is making efforts.

Ms. Helena Jaczek: So you appreciate that the new leadership is making efforts?

Mr. Frank Behrendt: Absolutely, they are. You know one thing—this was, again, another thing that I was going to say in my comments. One of the things that still is a red flag, at least for me—one of the big failings in the past was a failure to consult the key individuals, the real stakeholders. Because if you want to know the health of the air ambulance system, you've got to get at the hospitals, you've got to talk to the sending and receiving facilities. You've got to talk to the hospital, to the

nursing station. You've got to talk to the dispatch centre. I think they're an overlooked gem; they're a tonne of information. They're probably maybe a bit nervous to say anything, but if somebody there really had the freedom to just speak, they could tell you a lot because they control so much information and they're giving so much direction and they see every facet of the operation, from the land ambulance to the interaction with the doctors, all the problems that occur.

I'm convinced that one of the things that really needs to happen is that there needs to be an Ontario air ambulance advisory committee that's made up of real stakeholders that are the front-line people. It should have two mandates, and the two mandates are (1) to pursue continuous improvement of the system and (2) a guard on strategic direction. If you have the key stakeholders involved in that, you're going to see—because I think that one of the things that happened in the past was that Ornge deliberately tried to fail the system for their own gain. It's my observation. Fair or not, that's my observation.

One of the things that I think would have substantially helped and would have saved all this heartache is if the real stakeholders had gotten together and been part of forming a strategic direction and had a process or had a means to be part of a continuous improvement process. I truly believe that's one of the cores that you have to incorporate somehow or other, some sort of guard on the strategic direction and a process for continuous improvement that brings all the key players to the table. It has to be the key players, not somebody who wants to interfere, but key players that are really being affected by the service and see the front line of the service.

Ms. Helena Jaczek: Have you actually been invited to any such stakeholder meeting like that with the current administration?

Mr. Frank Behrendt: Not that I can think of. I know Ron McKerlie was doing base tours, and we'd actually asked for a meeting with him and he came by and it was very constructive, it was very interesting and, I thought, a good information exchange.

Ms. Helena Jaczek: Some of the responsibilities that you've alluded to, one would have thought, would be the responsibility of the board of directors. But you're implying the need for some expert advisory in terms of the day-to-day operations and ensuring at the end of the day patient safety, patient care is a primary concern. Is that sort of the proposal you're—

Mr. Frank Behrendt: Yes. Well, see, one of the observations I have in just simply reading through some of the testimony from some of the previous board—I was going, "Okay. Do you know anything about air ambulance?" with all due respect to them. Because it's a whole different thing when you're in Fort Severn understanding what's going on and what's going on in that nursing station, what are all the logistics of it, what does the service need. I think there's a real need not to just have people who are isolated from exposure to that. You need to have people who are exposed to it, who are key and who are part of the decision-making process, because

therwise, you're going to have somebody who has a great idea but has really not that much practical knowledge about the delivery of air ambulance services in a remote area. I think you have to guard that.

The Chair (Mr. Norm Miller): Okay, very well. We'll move on to Mr. Klees.

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Mr. Frank Klees: How much time?

The Chair (Mr. Norm Miller): You have six minutes, then we'll leave a couple for the NDP to ask another question.

Mr. Frank Klees: Let's just talk about oversight. You have very extensive contractual obligations. You signed that contract with Ornge. Can you tell me what protocols are in place for oversight of your operations by Ornge? How do they hold you accountable for carrying through on those obligations?

Mr. Frank Behrendt: There are a number of tools that they use. On the flight operations side, we are subject to an annual audit, which is contracted out to ARGUS International. Additionally, they monitor the Transport Canada civil aviation daily occurrence reports, which are published daily, and they're published by aircraft registration. Their safety officer looks at the CADORS every day. If they see that there was some sort of occurrence, and it can be anything from encountering turbulence—it doesn't mean that something went wrong; it's just that there was something that was abnormal that occurred. So if there is a CADOR that is attached to one of the aircraft that's registered to do business with Ornge, then they'll contact us and ask us for a report. Then they do the audit stuff as well.

On the medical side, MOH audits us. Ornge does not audit us on that side; MOH does. They do an inspection when we do the initial setup, but what they do—we submit patient ACRs. I'm not even sure what the acronym is, but our medics fill out a patient report for every patient that they carry, then that's forwarded to Ornge, and somebody in their organization audits those for patient care standards. Then if there's any issue, they contact us.

Mr. Frank Klees: Do you ever get unannounced visits from Ornge for an inspection of your—

Mr. Frank Behrendt: No.

Mr. Frank Klees: Has any representative of Ornge ever been on board your aircraft?

Mr. Frank Behrendt: Not that I can recall, other than when somebody has been—and I've invited them for a tour in an official capacity. We have Ornge medics who work for us part time. They've been on our aircraft. But in terms of somebody coming in to do an inspection or doing a ride-along, no.

Mr. Frank Klees: So there have been no ride-alongs by Ornge management. Does that surprise you?

Mr. Frank Behrendt: Oh, I should say, I think actually we did have one ride-along in our history that I can recall.

Mr. Frank Klees: One in your history.

Mr. Frank Behrendt: Yes.

Mr. Frank Klees: Would you expect that there might be more oversight?

Mr. Frank Behrendt: Well, I think that there are avenues for that. We would like, occasionally, for it, because it's nice to interact. It's a very important relationship, so you want to keep that relationship strong, and you want the organization that you're serving to fully understand what the capabilities of your operation are and to see what you're all about. So from that perspective, we would prefer to see somebody from Ornge come by to have a visit every once in a while.

Mr. Frank Klees: When was the last time that a Ministry of Health representative visited your facilities?

Mr. Frank Behrendt: That was, boy—this past winter, we had a number of inspectors. I think it was this winter, yes, that we had an MOH audit.

Mr. Frank Klees: Would that have been scheduled, or would that have been unannounced?

Mr. Frank Behrendt: No, that would be scheduled, and then the follow-up visit—I'm trying to remember. I think that the follow-up visit was also announced, where they were just saying, "Are you going to be around? We're going to be there on whatever date."

Mr. Frank Klees: Who is your direct contact at Ornge?

Mr. Frank Behrendt: I'm not sure now, because Ted Rabicki's gone, so I don't know who the new contact is.

Mr. Frank Klees: Do you know why he left?

Mr. Frank Behrendt: No idea.

Mr. Frank Klees: Thank you very much.

The Chair (Mr. Norm Miller): Thank you. We'll move to the NDP, then. Who would like to go? Ms. Gélinas.

M^{me} France Gélinas: Thank you. Just quickly, who is your primary contact at the Ministry of Health?

Mr. Frank Behrendt: Oh, boy. Laurie Breton is our medical operations manager at SkyCare, and I'm not sure of the name of who our contact is there. Sorry.

M^{me} France Gélinas: That's okay. Do you contact them on a regular basis?

Mr. Frank Behrendt: There is some interaction with them on a couple of different matters, but it's not weekly. It's probably maybe every other month or something like that.

M^{me} France Gélinas: And how is this relationship?

Mr. Frank Behrendt: It's good.

M^{me} France Gélinas: It's good?

Mr. Frank Behrendt: Yes, they're very good to work with.

M^{me} France Gélinas: You've talked about creating an Ontario air ambulance advisory committee. Who would you see on that committee?

Mr. Frank Behrendt: There should be a representative from a sending and receiving facility. It must include nursing station representation, hospital representation. I would include absolutely the OCC, the central dispatch, somebody from central dispatch. I would include somebody from medical operations, somebody from flight operations. Ornge has a medical advisory committee; somebody from that. And certainly, I would include the service providers or representation from the service providers, however that's done, whether it's through an

association that somebody is there, but a service provider.

M^{me} France Gélinas: By service provider, you mean—

Mr. Frank Behrendt: Like an air carrier

M^{me} France Gélinas: Okay, the carrier. How would you address the fact that some of them are for-profit, and therefore, their primary motive is to make money?

Mr. Frank Behrendt: Oh, I'm glad you asked me that. Do you know what? How much time do I have?

The Chair (Mr. Norm Miller): A couple of minutes.

Mr. Frank Behrendt: I'll try to be quick.

M^{me} France Gélinas: Go ahead.

Mr. Frank Behrendt: It really bothers me when we get into this not-for-profit/for-profit discussion, because I'm involved in some not-for-profit organizations, and there's something that's common to every one that I have been personally involved in, and that is, it's very dedicated people working for next to nothing who are volunteering their time and are passionate about what they do, and they're making sacrifices to make a difference. Unfortunately, there are some corrupted versions of not-for-profit that hide behind the excellent reputation of not-for-profit organizations to shelter themselves from fiscal accountability and from competition, because they can't be commercially competitive. So they hide behind that curtain. That's one thing.

The other is this notion that for-profit—I run a company that's not for profit. I don't like that. I work for my

customers. I run my business by profit, because if I don't develop a profit, the taxpayer is not on the hook; I'm on the hook and I'm broke. I run my business, and the only way that I can sustain my business is to show a profit. So I am by-profit, but I'm for my customers; that's who I'm for. The fact that there has to be a profit in a business is no different than that there has to be, or ought to be, a surplus or a balanced budget within a not-for-profit organization. So to bring that whole for-profit thing into question and then—it would be like saying that it's only reasonable, then, that a not-for-profit must always be in a deficit position. That's not true.

I understand what you're saying, though, that there may be business interests. People just have to get reminded about the basics and what the priorities are. If somebody starts to try and influence for commercial gain instead of looking at the health of the system, then they need to be booted out. Because at the end of the day, if it's not right, it's wrong. That's a simple statement. And if it's not the right thing to do, in the end, it's going to fail. If somebody tries to gain an advantage and take advantage of that, it's not right, and it's going to ultimately lead to failure.

M^{me} France Gélinas: That's good.

The Chair (Mr. Norm Miller): Okay, we are now out of time. Thank you very much for coming before the committee today. It's very much appreciated.

The committee is adjourned.

The committee adjourned at 1500.

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Official Report of Debates (Hansard)

Wednesday 25 September 2013

Journal des débats (Hansard)

Mercredi 25 septembre 2013

Standing Committee on Public Accounts

Special report, Auditor General:
Ornge Air Ambulance and
Related Services

Comité permanent des comptes publics

Rapport spécial, vérificateur
général : Services d'ambulance
aérienne et services connexes
d'Ornge



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STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 25 September 2013

Mercredi 25 septembre 2013

*The committee met at 0902 in room 151.*SPECIAL REPORT, AUDITOR GENERAL:
ORNGE AIR AMBULANCE
AND RELATED SERVICES

THUNDER AIRLINES

The Chair (Mr. Norm Miller): Okay, we'll call the committee to order. This morning, we have Mr. Bob Mackie, president of Thunder Airlines. If you'd like to come up, please, Mr. Mackie. Thank you.

Welcome. Just to confirm, you've received the letter for a person presenting to the committee?

Mr. Bob Mackie: Yes, I did.

The Chair (Mr. Norm Miller): Thank you. The Clerk will swear the oath.

The Clerk of the Committee (Mr. William Short): Mr. Mackie, did you want to swear an oath or be affirmed?

Mr. Bob Mackie: Swear an oath.

The Clerk of the Committee (Mr. William Short): The Bible is in front of you, there. If you could just put your hand on the Bible. Thank you.

Mr. Mackie, do you solemnly swear that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. Bob Mackie: I do.

The Clerk of the Committee (Mr. William Short): Thank you.

The Chair (Mr. Norm Miller): Thank you. You may make an opening statement up to 10 minutes and then we'll go to questions. Thank you.

Mr. Bob Mackie: Thank you. First, as you are aware, I have previously made a presentation to this committee as a director of the Ontario Air Transport Association, back on April 18 of last year. Today, I am here as the president of Thunder Airlines Ltd.

As a refresher, if you will, I have been involved with the air ambulance system here in Ontario since 1978. I've had the opportunity to witness, first-hand, the development and growth of the provincial air ambulance system. I personally have in excess of 10,000 hours of flying air ambulance flights alone. I have had the privilege of sitting on aviation safety boards as well as various Ministry of Health committees that were formed as a direct result of the air ambulance review of 1993. In fact, it was while

on one of these committees that I first met Dr. Chris Mazza.

Over the years, Thunder has provided extensive primary and advanced care air ambulance service. We have transported in excess of 35,000 patients. In fact, two of these patients were born on board our aircraft, in the air, over northern Ontario and were delivered by Thunder's own flight paramedics.

Thunder is a mature and stable company with a senior management team with many years of aviation experience in Ontario. Thunder Airlines itself commenced operations in 1994. We currently employ approximately 100 people at our bases in Thunder Bay and Timmins, as well as customer service agents up the James Bay coast.

In addition to providing air ambulance service to Ornge and the people of Ontario, we also operate a daily scheduled air service from Timmins north to Moosonee, Fort Albany, Kashechewan, Attawapiskat and Peawanuck.

In addition to an active charter service in support of our northern communities and businesses, we also have multi-year contracts with both the provincial and federal governments as well as private industry to supply dedicated air charter service.

I guess what I am saying here is that Thunder Airlines is a financially secure company with plenty of aviation experience in this province. We currently fly in excess of 10,000 hours per year. We wholly own our aircraft, our hangars and our equipment, and we sure don't owe anybody \$270 million.

When the government announced the formation of what is now Ornge in 2005, we saw it as a positive step forward: a centralized base hospital, a mandate to train medics, operation of a dispatch centre, and a mandate to manage the actual flying contracts with the various air carriers. As Ron Sapsford said before this committee in February 2006, "Essentially the corporation," now Ornge, "is renting the aircraft, if you want to put it that way. But taking care of the patients, doing the dispatch and managing the actual process of transport is being done by the corporation." He went on to say that "the Ministry of Health isn't in the business of flying helicopters, maintaining them and so forth. It's a specialized business that others can provide on a contract basis, I would argue, more effectively and more efficiently than we could ourselves."

On August 1 of last year, Mr. Sapsford, before this committee, acknowledged that it had never been contem-

plated that Ornge would operate their own aircraft. He also acknowledged there really wasn't anything to stop them from doing so, however. The point is this: There was never any intent by the government for Ornge to operate their own aircraft, okay? This we know. It was acknowledged by the government that the air carriers could provide this service more effectively and more efficiently.

So what has changed?

The reality is that Ornge and Ornge Air operate in the same manner as any other government agency. So I would question, where are the efficiencies? It is my opinion that Ornge should put the focus back on the original mandate, a mandate that did not include being an air carrier.

I'm currently asked on occasion, "How is it dealing with Ornge now that the changes have been implemented?" And there have been changes. The answer is a complicated one. As an SA carrier, we do see some change and improvement, but as an SA carrier, communication with Ornge is fairly limited and is usually limited to when there's some sort of problem that needs to be resolved. That said, I will say that there are improvements. The communication with senior management is open and frank when it needs to be, although it does at times seem that some of the managers can be frustrated from what appear to be bureaucratic formalities that many are not used to dealing with. Some have just recently left Ornge because of this.

However, there's still work to do. From my perspective as an SA carrier, there are issues with conflicts of interest and a lack of auditing enforcement of contractual obligations.

As I mentioned, I'll keep it short because I said pretty much everything I had to say the last time I was here. I thank you for the opportunity to appear today and welcome any questions.

The Chair (Mr. Norm Miller): Very well. We'll go to the opposition first. Mr. Klees?

Mr. Frank Klees: Thank you, Chair. Mr. Mackie, thank you for being here. We want to acknowledge your expertise and your experience in the aviation business. This committee values your advice and your insight. As you know, these hearings have been going on since March 2012, in response to the Auditor General's report on Ornge and the various issues that Ornge faced.

The key findings in the report by the Auditor General were that the Ministry of Health failed in its oversight responsibilities. That in turn led to many other issues.

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The Auditor General made five key recommendations. Every one of those recommendations focused on this issue of the need for increased oversight and accountability. I'd like to, in my questions with you, focus on that, because what we need to do is get a sense of what progress we're making on that oversight issue and what still perhaps remains to be dealt with.

You're one of five aviation companies that contracts services to Ornge. Is that correct?

Mr. Bob Mackie: I believe that's correct, yes.

Mr. Frank Klees: In front of you—and all the members have a document entitled "Request for proposals," and it's RFP 00010347. You're familiar with that document, obviously. Am I correct in saying that that document was in fact the last RFP, the most recent RFP issued by Ornge?

Mr. Bob Mackie: For standing agreement services, yes.

Mr. Frank Klees: That document is a very comprehensive document setting out the obligations and standards for the operation side of the business. It sets out very specific contractual obligations that you and the other carriers have in terms of delivering their services.

Have you ever been audited by Ornge for compliance with that contract?

Mr. Bob Mackie: Not recently, no.

Mr. Frank Klees: When was the last time that you were audited by Ornge for the delivery of the services under that contract?

Mr. Bob Mackie: I would honestly have to go back a few years, perhaps as many as four or five. Don't mistake me: They do come in if there's a change. If we add a new aircraft to the system or if we add a base, they do come in and inspect on that occasion. But whereas Ornge used to, years ago—we would get visits a couple of times a year for their coming in and checking to make sure we were following our obligations. That just kind of stopped.

Mr. Frank Klees: Mr. Horwath testified last week at this hearing as well that he has not had an on-site audit by Ornge either; that when the contract was initially issued to him, there was a site visit, but he has not heard from Ornge since then. That concerned me as I heard that, because when I review the RFP, there are numerous requirements there that if you don't have an on-site inspection, whether that's of the facilities, the equipment, the instrumentation for the aircraft themselves, how is Ornge to know whether or not someone is complying with the terms of that contract? Would you agree that, given the instructions of the Auditor General or the recommendations, what is needed is more oversight? What I'm hearing from you is that there has actually been less oversight on this particular aspect of operations than in previous years.

Mr. Bob Mackie: Yes, that is. We welcome being audited in all manners. We're audited all the time, including by an Ornge contract organization, Argus, with respect to our operations. Now, "operations" means, generally speaking, adherence to the Canadian aviation regulations.

Mr. Frank Klees: I understand that Argus does this as a third party. They offer an upgraded accreditation. Mr. Horwath, who was here last week, told us that he takes great pride in the fact that he has a platinum rating from Argus. I understand that in order to get that, you actually have to pay Argus a fairly substantial fee that ranges anywhere from \$8,000 a year—I think Mr. Horwath may have gotten a deal on it. But can you confirm for me that this third-party auditing firm is really a business that

seems to market itself to the very people that they're charged with auditing?

Mr. Bob Mackie: Well, back in—I actually happen to have it here—July 2012, we had an Argus audit that was forthcoming on behalf of Ornge, and I received an email from an Argus sales manager, essentially pitching: “Our guys are going to be there. If you want to spend some extra money they’ll be there for an extra day and we can give you this platinum rating.” There was a fee to go along with that, along with paying them \$150 a month for every month that we wanted to maintain that rating. I found that a gross conflict of interest right then and there, and I took that email and forwarded it directly to Ron McKerlie. I never heard back. However, I never got another email either, so whether it got actioned or not, I’m not quite sure. I did talk with Ted Rabicki about it, and then I thought it was essentially indecent that this would even happen. I have somebody coming in to audit my organization and they say, “Slip me five grand”—or whatever the amount was—“and we’ll give you a platinum rating.” No, I’ll stand on my own scruples, thank you very much.

Mr. Frank Klees: So I’m assuming that you don’t have a platinum rating.

Mr. Bob Mackie: No, I do not.

Mr. Frank Klees: But this is the organization that Ornge relies on to do its third-party audit of the operations side.

Mr. Bob Mackie: Yes—sorry, I have an Argus audit at 9 o’clock tomorrow morning from Ornge; I hope they’re not watching right now.

Actually, the people coming from Argus are professional, and the first time that they came in—it is an American company. They are people with an aviation background, obviously, but when they first came in, they were more familiar with the US regulations vis-à-vis the Canadian regulations, and there are some substantial differences. I think they’re through that learning curve now. We get Argus coming in—for example, tomorrow will be my third operations audit by Argus alone just in the last 12 months, and there have been others, because we’re also audited by various private clients as well.

Mr. Frank Klees: But here’s the heart of what I’m trying to get to: Those audits are typically aviation operations audits. Those audits do not deal with issues such as the front-line delivery of air ambulance services in terms of the supplies that you have to have on hand, the very specific contractual obligations that you have under the terms of your agreement with Ornge for the service delivery. Is that correct?

Mr. Bob Mackie: That is correct.

Mr. Frank Klees: When Mr. Horwath was here last week we heard some very disturbing testimony about what he referred to as conflicts of interest. He referred specifically to the fact that a full-time employee of Ornge was actually assisting with the writing of an RFP for a competitor, and he made reference to other conflicts of interest. You make reference to conflicts of interest in your opening statement. I have heard that there are some

concerns about that inherent conflict of interest at the dispatch centre. Could I ask you to elaborate for the committee in terms of what precisely we’re talking about? Give us an example of that, and what you feel needs to be done to eliminate that conflict of interest.

Mr. Bob Mackie: First of all, there have been conflicts in the dispatch centre going back—actually, long before Ornge, to be honest with you. We have our own dispatch department, obviously, and our dispatchers work with Ornge dispatchers when planning flights in general. Last spring, my dispatchers started to question one particular dispatcher at Ornge as to the dispatch practices and his mannerisms with our people. Generally, it was, “Well, if you don’t do this, I’m going to take a flight away from you,” and so on.

In fact, understand that the dispatchers really hold a lot of power. They’re the ones who decide whether or not your aircraft are going to fly. In other words, they make—whether you’re going to be in business or not, quite frankly.

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So I advised my customer service head, the supervisor, to have her people document what they could, what was going on, and said, “Just remember, that’s customer service. Ornge is a client. Deal with it, work with it the best you can.”

We didn’t make any complaints until a paramedic who works for me came into my office and said, “Did you know that this particular individual is also a paramedic flying for Bravo?” I wasn’t too happy about that, obviously, so I picked up the phone within minutes and I spoke with Ted Rabicki, who I believe you know is no longer there, but he was our point of contact.

I said, “Ted, we’ve got a problem in dispatch and I think there’s a conflict of interest,” and his answer to me was something along the line of, “Oh, you mean Travis.” He said, “You’re the second carrier that has complained about this.” He assured me at the time that they were going to deal with it, that they would not be allowing people to work for the competition at the same time. It’s an obvious conflict, right?

Anyway, I took that at face value and didn’t hear too much anymore. I became aware over the summer that Travis was still employed in the dispatch centre, and I was kind of wondering, but I had no—to this day, I don’t know if he’s still working at Bravo. I can’t speak to that; I don’t know.

In August, our flying in the first part of the month was somewhat dismal, and flying does fluctuate, but we keep statistics and we watch. We watch the competition, and knowing where we were on the competitive bid, something was amiss. So I called Ted Rabicki about it in the middle of August, say around the 15th, and Ted said he would look into it.

I didn’t hear back from Ted but subsequently did talk to him about this on his last day of employment there. It was within about 48 hours of that phone call that our flying went back to normal, and when I spoke to Ted on his last day—because I only found out basically as he

was going out the door that he was leaving. I gave him a call and he said, "Oh, by the way, did your flying pick up in the middle of August?" I said, "Yes, it did." And he said, "Okay." He said, "I went downstairs and somebody was messing with the algorithm." The algorithm is used to pick the air carrier, which one is the most appropriate, and ultimately, as well, takes all the cost parameters into the situation. He said, "Yes, somebody was messing with the algorithm, and they said they weren't. We took it up to our people. We ran the algorithm to double-check it. The algorithm worked fine." And he was telling me that just in about the same tone that I'm using: "We went back down and we had a little chat with the individual." And I said, "Oh. I don't suppose that first name starts with a 'T,'" and Ted's answer to me was simply, "Bingo."

That was Ted's last day. Then, last week, the flying started dropping off again. I no longer have a good contact at Ornge at that level, so I called Rob Giguere, who was away. I spoke with his assistant, who was excellent, by the way. She took the information and probably within 30 minutes, Mr. McCallum called me himself. He was on it, very open and frank and was looking at it, and he said, "Bob, I will get back to you by the end of the day today." It was after 5 o'clock in the evening. He did call me back to say that they were still looking into it, and they wanted to do some more auditing. He had been told by his people that they didn't really think there was anything wrong. I told him I thought otherwise. You know, if it stinks, it stinks.

And what brought this last one up over this last weekend is I've got aircraft and three crews, paramedics and everything, sitting on the ground in Thunder Bay while the other company, I've been told, were first out, because we were the lowest bid. We sat on the ground, and they flew all over the province.

Mr. Frank Klees: Well, Mr. Mackie, thank you for that. I'm sure that the folks at Ornge are watching this very intently. I would expect that this issue will be addressed.

Mr. Bob Mackie: Yes. As Mr. McCallum did point out, he's not done with this yet. He's still working on it, and he was talking about getting a third party to take a look at the algorithm.

Mr. Frank Klees: How much time do I have left?

The Chair (Mr. Norm Miller): Four minutes.

Mr. Bob Mackie: Sorry for being long-winded.

Mr. Frank Klees: No, no. Look, it's important. I mean, something as significant as this, and a very gross conflict—what, quite frankly, is frustrating to me and must be to anyone observing these hearings is that something as blatant as someone who is employed by a competitor—that that individual would also be hired into a dispatch position—clearly, who has absolute control over your business—is unconscionable. This is a strong message to the management. Someone at that management level, obviously, is responsible for this, and we can't have that happen. Thank you for your forthrightness, and we would expect that it would be dealt with.

In the RFP that you have in front of you, on page 63, the last paragraph states this:

"Ornge reserves the right to inspect bases from time to time. Ornge expects to visit a minimum two (2) times per year to ensure compliance with policies and procedures for equipment, supplies and for cleanliness of the base(s)."

You've testified here that over the last number of years, you haven't heard from Ornge once. I would expect, as well, that Mr. McCallum would be focused on this.

Quite frankly, I heard of an incident just this week that disturbs me greatly, that I believe reflects again on the lack of oversight. When Mr. Horwath was here, he confirmed that in this RFP there is no reference to any requirement for a proponent to prove financial capability of delivering on the contractual obligations.

I did some research. Three RFPs ago, there was an entire schedule, schedule A, that required financial information and financial statements, that gave the authority to Ornge to do a credit check.

You are in other businesses. These are not the only contracts that you have. As a business person, when you realized that for the last two RFPs there was no requirement for a proponent to prove their financial capacity, did that strike you as somewhat odd?

Mr. Bob Mackie: Well, it struck me as odd, but to be honest with you, I thought, "Oh, wow. That will save us some time. I don't have to do that part of it," just from a selfish point of view.

We bid RFPs all the time for other government agencies and private clients, and we do need to show that we're a financially stable company. So, yes, it was quite odd, we thought, that it had been left out.

Mr. Frank Klees: It's a highly competitive bidding process, isn't it?

Mr. Bob Mackie: Yes, very.

Mr. Frank Klees: Mr. Horwath testified that after the closing of the bids, he received a call from Ornge, suggesting to him that if he wanted or expects to get the guarantees that he would need, he would have to reduce his numbers. So we can see that the grinding down of these numbers is taking place.

Do you get calls like that as well, after submitting a bid?

Mr. Bob Mackie: After we submit the bid—I guess we have to remember that this isn't a tender. This is a request for proposal.

Mr. Frank Klees: Right.

Mr. Bob Mackie: In the proposal—I mean, after that, you sit down and you negotiate. One of the points that you do negotiate—and I'm not just talking about this RFP—you negotiate price. I just finished negotiating pricing with Canada Post after my RFP went in. So that's normal.

But as a matter of fact—I think it's on page 8, or paragraph 8.2 in here—it actually says in the RFP that they reserve the right to try to negotiate pricing. It's in here.

0930

Mr. Frank Klees: Yes, it does say that, and here's my point: When it gets down to where, essentially, depending on the carrier, you start to buy the business—there are some fixed costs in the industry—where do you start to cut back when it gets to the point where you're actually now bidding below your capacity to be able to properly maintain? You can't cut back on fuel. You can't cut back on salaries. What's the last point at which you start to compromise and cut back?

Mr. Bob Mackie: Well, there can be a couple of different scenarios, to be honest with you. If you cut back on wages, you don't have staff—you have to be competitive to have staff. If you're paying for your airplanes with the bank or you're leasing them, they're not going to cut back. If you're going to cut back on your profit margin—that would be about the only place; otherwise, you're going to look for any little way you can squeeze a dollar.

Mr. Frank Klees: How about maintenance?

The Chair (Mr. Norm Miller): Sorry, Mr. Klees, you're out of time. We'll move on, and if there's any time left at the end, you can come back to your maintenance question.

Ms. Gélinas.

M^{me} France Gélinas: Thank you for coming back to see us, Mr. Mackie. I was there when you came last time, and you talked to us about some of the bases that had closed, mainly in northern Ontario. That was at a time when Dr. Mazza had just left. Since then, we were told that things have improved. I want to get your take as to the number of bases and the level of service for people in northern Ontario.

Mr. Bob Mackie: I'm just quickly going through, because what you're alluding to—I cannot think of any base that has been added since I was here the last time. It's not absolute, but there's still—I'll talk fixed-wing here. Since the last time—pardon me; I should have known this—I put an airplane in Timmins, to go with the other six aircraft I have based in Timmins that do other work. That would be about the only increase in bases that I can think of. Of course, Ornge has a fixed-wing base there as well.

Again, people have been driven out of business since Ornge started, period. The bases you don't have, have disappeared; they're gone. I would suggest forever is a long time, but I don't hear anybody making noises about coming back.

M^{me} France Gélinas: Could you talk to me about the types of cases you are getting now, versus what you were getting? Has it changed, has it evolved, has it stayed the same—not volume as much as type?

Mr. Bob Mackie: Well, as I mentioned in my opening statement, we used to be an advanced-care carrier as well as primary care. Today, we are strictly primary care. We got out of advanced care. We were the largest advanced-care provider in the province; we actually had dedicated aircraft—pilots, paramedics—ready to go, airborne in less than 10 minutes, that mirrored the critical-care operation out of Dryden, plus we had that in Timmins, on

a smaller basis, and out of Thunder Bay. But when inter-facility transfers in advanced care were suddenly axed in 2006, we just said, "Okay, that's it," and we got out of the advanced-care business. So we're strictly primary care now.

That said and done, we still move, on occasion, advanced- and critical-care patients when suitable escorts are brought along, whether that's the sending hospital sending a nurse, a doctor or whatever, and that's not uncommon. But most of the stuff that we do now is primary care.

M^{me} France Gélinas: So it would be mainly inter-facility transfer—

Mr. Bob Mackie: That's right.

M^{me} France Gélinas: From northern to southern Ontario. Do you do it in reverse? Do you bring people back?

Mr. Bob Mackie: Yes, we do.

M^{me} France Gélinas: You do it both ways.

So in 2006—that's quite a while ago—you made that decision to go strictly primary care.

Mr. Bob Mackie: That's right.

M^{me} France Gélinas: Okay. And that decision was based on the fact that there was not enough of a volume of—

Mr. Bob Mackie: We probably had to lay off 20 paramedics with the result of that decision that was made by Ornge. That decision, by the way, was never, ever communicated to us. The phone just stopped ringing. Did we lay off pilots at the time? I believe we laid off a few, but we were able to absorb them into the rest of the organization. The medics, though, most of them work for Ornge today.

M^{me} France Gélinas: You work in the business. You see the patients on the ground. How would you say that the north is being served right now?

Mr. Bob Mackie: It has evolved. I would suggest, and I don't have statistics, from my own observations that people are going to be waiting a little bit longer to get transferred in an emergency situation because you don't have quite the same amount of coverage. Ornge has a critical-care fixed-wing base out of Sioux Lookout, and they also have fixed-wing aircraft out of Thunder Bay. Thunder Bay, I think, is probably one of the busiest, if not the busiest, hubs for ambulance work in the province. Mind you, going from Thunder Bay, if you're trying to get up to Big Trout Lake, Bearskin Lake or whatever, you really should be leaving from Sioux Lookout. Ornge has a large fixed-wing base in Thunder Bay. I question if that's the best place to be for them. But I do know that they do have and always—and the Ministry of Health had the same problems with getting people to stay in Sioux Lookout, so that may be part of their problem.

Mr. Jagmeet Singh: You mentioned that people might have to wait a little longer in emergency situations. What basis do you have to say that—

Mr. Bob Mackie: Well, just the flying time.

Mr. Jagmeet Singh: Just let me finish. What objective criteria do you have to say that? Or are you just speculating?

Mr. Bob Mackie: I'm speculating to a certain amount, but if you've got an Ornge PC-12 depart Thunder Bay to go pick up in Big Trout Lake and you have one leave at the same time that was available in Sioux Lookout, the one that left Sioux Lookout will be well on their way back with that patient before the Thunder Bay machine even gets there. It's just distances. It's huge distances. People don't understand how big northern Ontario is. That's the thing.

I did a presentation to an aviation seminar a while back and it was actually down in Texas. They think Texas is big. Well, I took Texas and I stuck it in the middle of northern Ontario and I opened up some eyes. So yes, it's just distances.

M^{me} France G  linas: Continuing on, does a specific case come to mind, or a story come to mind?

Mr. Bob Mackie: Nothing in particular, no.

M^{me} France G  linas: Okay. So your contract with Ornge is for primary care.

Mr. Bob Mackie: Yes.

M^{me} France G  linas: But every now and again, you will be dispatched to a call that is advanced care. How does that happen?

Mr. Bob Mackie: Well, we're still primary care. My primary-care medic is on board to lend a hand if need be, but the people who are looking after the patient are actually coming with the patient, so my medic is more or less sitting in the back—not idly, mind you, but they will sit there because they're familiar with the aircraft, where the equipment is and so on. This is the way it has always been, going back since I've started. If the doctor needed to come along—and I've seen a few things over the years—they do what they have to do.

M^{me} France G  linas: Okay. And then do you know what happens to this doctor or this nurse once they're in Thunder Bay but they work out of—

Mr. Bob Mackie: They're usually flown back. I mean, quite often, we'll sit there and we'll return the doctor or nurse back to the facility. There are occasions—nothing recent I might add, though; it was a few years ago—where Ornge announced we're not going to return nurses back to these nursing stations or back to these remote hospitals. The ministry tried the same thing a few years ago.

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The problem with that is that some of these hospitals in the further out regions are short-staffed. If a nurse leaves the floor to fly on an airplane to Thunder Bay, they need her back on the floor. Well, for a while, that went, "Well, take a taxi back to Marathon," or whatever. Well, I can fly her back in 30 minutes versus a three-and-a-half-hour taxi ride.

So pretty soon, "Who wants to take this air ambulance flight to Thunder Bay?" There are no volunteers to go. The pendulum has gone back and forth more than once that I've seen over the years.

M^{me} France G  linas: So you would be called in to do those kinds of flights. How come? How come there isn't an advanced-care carrier that handles those calls so that you can leave the staff in place?

Mr. Bob Mackie: Well, as I mentioned, back in 2006, Ornge made the decision. Two years later, we found out they said it was—well, for reasons that I totally disagree with, but essentially, inter-facility transfers—advanced care—with the exception of to remote northern communities, would no longer happen. So that put the onus on the hospitals to supply the level of care. There are advanced-care carriers out there, but the amount of advanced-care flying is quite lean. It is nothing like it was before.

M^{me} France G  linas: Because the hospitals are better equipped to do the advanced care themselves?

Mr. Bob Mackie: I would suggest to you no. There's nothing worse than taking a nurse off the floor of a hospital where she's used to working in that environment. She's not used to getting in the back of an airplane that might be in turbulence and the noise of the engines running and so on. No, she's out of her realm, so to speak. So the program was going along very well, the advanced-care program, up until it got chopped or pared back in 2006.

M^{me} France G  linas: If you look at what we have now, how could patients be better served?

Mr. Bob Mackie: Well, I honestly think that they should—I thought Chris Mazza was on the right road for a while. I believe I said that when they cut out advanced care, the inter-facility transfer, well, why did they do that? Money, funding: Advanced-care paramedics make a lot of money. I'm told these days—and I don't have any working for me, but I do talk to the other operators on occasion, and most, if not all, of their paramedics also work for Ornge. They're advanced-care paramedics. On a part-time basis, they're commanding between \$750 and \$1000 a day, so it's very, very expensive. I don't know what Ornge pays them, but wow.

That said and done, build it and they will come again. If they went back to opening up the advanced-care inter-facility transfers, that is really what needs to happen. From my perspective, the reason for what happened in 2006, it was a money grab. He was running out of funding, he being Dr. Mazza, Ornge, and saw that's one way to pare back. All he did was, "Okay, Ornge isn't going to pay the carrier to supply advanced-care coverage because the paramedics are quite expensive. We'll just send a primary-care airplane and put the onus on the hospital to send the nurse." That's what happened.

M^{me} France G  linas: Coming back to my question, given what we have now, what would need to change for the people of northern Ontario to be better served?

Mr. Bob Mackie: I think a couple of things. Let the air carriers operate the aircraft and let Ornge focus on its original mandate. I mean, their original mandate was a full mandate. You know, you're pretty busy doing everything that they were tasked with. Aviation by itself is another large chunk that needs to be done by people who know, really, what they're doing. Ornge is like, "Well, you know, we'll go out and we'll hire some people from the private industry and bring them in here." Well, they're leaving, one at a time, but they're leaving because they can't work within the bureaucracy of Ornge, from what I can see.

The other problem is training advanced-care medics. It takes a long time to train them. Right now, the Academy of Transport Medicine, which is operated by Ornge—one of their mandates was to train medics. If I call them up and say, “I want to put some advanced-care medics on course to train them up,” “No, we’re only training Ornge medics.” “Oh, okay,”—they won’t train any for me.

M^{me} France Gélinas: And this has happened recently? No, because you don’t have them anymore.

Mr. Bob Mackie: Well, I’m not in advanced care anymore but we’ve been basically told that they can’t—they’re having trouble keeping up supplying their own. So there’s a big shortage of advanced-care flight paramedics. It takes a lot. They’re trained, and then it’s continual education for them to maintain their certification. So that needs to get schooled up. They need to increase the amount of people that they can have as graduates in order to facilitate that. There was one mention—I actually forget who mentioned it to me, but it was from Ornge, though. He mentioned that they were thinking about, maybe, perhaps having a community college teach the advanced-care program, which makes sense, of course, because that’s who teaches the primary. Ornge, of course, does the aero-physiology part of it, but the only thing in the back of my mind—because I didn’t comment to the gentleman—I said to myself, “Well, wasn’t it your mandate to train medics? Now you’re saying you can’t do it, and we’ll just slide that over there but we’ll fly airplanes?” I’m being facetious here, but their mandate was to train these medics—the advanced- and the critical-care medics.

M^{me} France Gélinas: So, to make things better for the patients of northern Ontario, do you or don’t you support that that training be done outside of Ornge? What would be better for the people in northern Ontario, for the people who need the services? I should include all of the province, because there are people everywhere in Ontario who rely on air ambulance.

Mr. Bob Mackie: Personally, I don’t care where they’re trained as long as they get trained and there’s a mandate to get them trained. It’s not something that’s going to get put together overnight. It was in Ornge’s mandate, and I would suggest to you that Ornge does have the people there with the expertise to do this training, but they do need to ramp it up.

M^{me} France Gélinas: So if we were to do those two things—if we were to ramp up training, either through community college or through Ornge, and if Ornge was to divest itself of its air carrier mandate—things would be better for the people of Ontario?

Mr. Bob Mackie: Absolutely.

M^{me} France Gélinas: Okay, so, walk me through this. The taxpayers of Ontario have already bought airplanes and helicopters. We already own that equipment. How does a garage sale help the people of Ontario?

Mr. Bob Mackie: Well, the financial arrangements with the aircraft and the helicopters, I’m not completely privy to. But I understand, contrary to what was said earlier, what you’re telling me is that the Ontario taxpay-

er is on the hook for those aircraft. If that’s the case, then, it could be done in a couple of different ways. The operation of the aircraft could be tendered out through an RFP process in various manners, more than, perhaps, one operator to operate the aircraft. Alternatively, they could sell the aircraft and there may be operators out there willing to purchase them or just on the market. I will tell you that Thunder Airlines—I offered to buy the aircraft from Ornge once already.

M^{me} France Gélinas: Is there fixed-wing?

Mr. Bob Mackie: Yes.

M^{me} France Gélinas: All of them?

Mr. Bob Mackie: Well, if it was tied to contracts, yes. 0950

M^{me} France Gélinas: Walk me through. How does that help the people of Ontario?

The Chair (Mr. Norm Miller): You have a couple of minutes left.

Mr. Bob Mackie: Well, I think we can provide the service, first of all, for a lot less money than what it has been costing at the moment.

M^{me} France Gélinas: How do you know that?

Mr. Bob Mackie: How do I know that? Well, when I look at the number of people working in the aviation group in Ornge, and for the number of aircraft that they operate—and I operate more aircraft than they do with half the people—that kind of tells me something. And they can’t make anything there happen quickly. I have more airplanes than Ornge does, and I’m not counting the helicopters.

M^{me} France Gélinas: When you opened up, you made it clear that your business is not solely air ambulance. You also do charter, you also do mail carrier and you also do scheduled flights. I see a huge difference in this. You always have to have oversupply when you’re in the emergency business. It would be like saying, “Well, we’re only going to staff the fire hall six hours a day because they are only on call six hours a day.” No, you staff them 24 hours, because you don’t know when those six hours will be. So I really want you to walk me through where the savings are.

Mr. Bob Mackie: The savings—we’ve already got the infrastructure in place. We’re operating. We have a mature—

M^{me} France Gélinas: But so does Ornge. Ornge has invested into that infrastructure. You and I, in our taxes, have paid for that infrastructure. It is there now. If that was 2006, I would agree with you, but I want you to convince me. You haven’t done that.

Mr. Bob Mackie: Going forward, the cost of continuing to operate Ornge versus the return that you’re getting, just with the number of the employees, with some of the infrastructure, as you mentioned—the hangars that they’ve purchased outright, the aircraft and so on—is the government going to get their money back immediately, in the blink of an eye? No, but over time, it will.

As I mentioned, the money grab back in 2006 when they cut out advanced-care flying—that was a major decrease in service to the people of Ontario. But I would

suggest to you that they didn't cut the budget at the same time. Where did that money go?

M^{me} France Gélinas: Well, we have a pretty good idea of where it went. There's a nice boat sitting somewhere that explains part of it.

Mr. Bob Mackie: No, I honestly believe that, over time, the Ontario taxpayer will be better off divesting the air carrier portion of it.

Mr. Jagmeet Singh: Mr. Mackie, you see, though, how you haven't made that case objectively. You're just kind of speculating, stating your opinion. But we need to know concrete ways that it's actually going to be better—but I guess our time is up.

The Chair (Mr. Norm Miller): You're pretty much out of time, Mr. Singh, so we'll move to the government. Mr. Mauro.

Mr. Bill Mauro: Thank you, Mr. Chair. Mr. Mackie, good morning.

Mr. Bob Mackie: Good morning.

Mr. Bill Mauro: Thank you for being here. I very much appreciated your presentation for a couple of reasons: One, it's insightful and very helpful, but two—I'll just make a bit of a statement before I ask you a handful of questions, that being: Your opening remark was that when Ornge was first rolled out, you saw it, at first blush, as a positive development in terms of the provision of air ambulance in Ontario. My point is simply this: When I was first here in 2003 and was on public accounts back then, and the auditor's report came in—we were auditing the work that was done under the previous government. I remember all of us—it was almost a bit fun, because of course you were being critical of the work of the previous group. Now we are here as the government, the auditor does his work, and we are seen to be connected to whatever errors there may have been, if people see errors—and that's fine, and I have no problem with that. That's as it should be.

My point is this: As a government member—and I would expect that my colleagues in the opposition would probably agree with this, given the opportunity to discuss it. All of us, especially those of us who have been elected into government, have a major issue and challenge related to all agencies that operate in the province of Ontario, not just Ornge. There are some 600-plus of them.

My reason for saying that to you is that the public makes no distinction between the Ministry of Health and Ornge as an agency. When something goes wrong in an agency, they will look to the government and they'll say, "What in heaven's name have you been doing?" They don't make the distinction that government is not operating on a daily basis and running it directly, as they would with a line ministry.

I find this discussion really helpful, and I'm glad that you're here, and I'm glad that Ornge is before the public accounts committee, because it speaks to a broader issue that I think, as a government—ours now, governments before and governments to come—we need to pay closer attention to, in terms of the operation of all of our agencies, because it creates a great challenge for many of us.

I just wanted to make that statement to begin with—and the fact that you saw them initially, potentially, as being something positive.

The first question I'd like to ask you is about this conflict with the dispatch piece. I believe you said—if I'm wrong, please correct me—that this issue with conflicts, when it came to dispatch, existed before Ornge.

I would assume that there was some—first of all, why don't I just ask you? Yea or nay, if you can: Is it new that there are conflicts now with dispatch, or was it something that existed previously?

Mr. Bob Mackie: It existed previously as well, on various occasions.

Mr. Bill Mauro: Okay, so—

Mr. Bob Mackie: I'll just be very quick.

Mr. Bill Mauro: Okay.

Mr. Bob Mackie: I have an aircraft with the registration RWK as its final letters. RWK stands for Rose Wyler Keller. Rose was a dispatcher for the Ministry of Health. Mr. Keller was an air carrier owner.

Mr. Bill Mauro: Yes. I'm not trying to diminish this, and it's an incredibly serious issue that you raise. I'm only trying to state that this is something that needs to be fixed as best we can, but it's not always necessarily an easy thing to do.

My point would be this: I take very seriously the role that you play. You're a serious company, with 100 employees, and you do great work.

At the end of the day—and I don't want to get into a discussion of the details of an algorithm—but at the end of the day, you're concerned with your bottom line, as you should be, and I have no problem with that. As a group sitting around the table here, we need to be concerned that we're not negatively impacting you in that regard, but we also need to be very concerned about what that potential conflict of interest may mean to the service level. If somebody can sit there and say that through this conflict, an airplane was dispatched—a fixed-wing or a helicopter—and it took that aircraft five minutes longer to get to a patient, then this is very, very serious.

I suppose my question to you would be that, because your comments were in the context of what it meant to you as a business owner—I have no problem with that at all. But I'm asking you if you're able to say to me here that that potential dispatch conflict has led to reduced service levels for patients not just in northern Ontario—but, of course, that's an area of great interest to me—but in Ontario anywhere.

Mr. Bob Mackie: No. In this particular instance, no, I cannot speak to that. This individual is actually what we call a long-term planner—

Mr. Bill Mauro: Okay.

Mr. Bob Mackie: —who plans the next day's flights—

Mr. Bill Mauro: It's important for me—I hope you appreciate why that's important for me to get that on the record. At the end of the day, if somebody's going to leave this committee and walk into the Legislature and talk about a conflict in dispatch and service levels, and

people are dying, waiting for an aircraft, or whatever the language might be, it's very, very serious. It was important for me to get that distinction from you. Thank you for your answer.

You had also mentioned that you had called Mr. McCallum on this and that he has indicated he's looking into it or getting back to you. You have not received a final response yet in that regard?

Mr. Bob Mackie: No. This just happened a couple of days ago.

Mr. Bill Mauro: Good. Okay. Fair to say.

In terms of your bidding process, when you, through tender, RFI or RFP—you must have to be able to demonstrate some capacity in terms of your ability to respond in time constraints, just like a fire department when the bell goes off. Fair to say?

Mr. Bob Mackie: Yes. The time requirements are in the RFP.

Mr. Bill Mauro: It would have to be a key component, I would expect, not just the money side of things. Okay.

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Have there ever been examples that we know of where dispatch has made a call to a provider through an SA that we could look to and say, "How in goodness' names could you have made that call?" assuming there are no other variables for the call to have gone somewhere else when you know, through the provision in the SA, that I'm the guy—that Thunder Airlines could have been there before Air Bravo or whomever the other three providers are?

Mr. Bob Mackie: I would not be privy to that information.

Mr. Bill Mauro: Okay. I wanted to ask you a little bit about the audits because that issue was raised. How were your audits done before Ornge came into existence?

Mr. Bob Mackie: We've been audited by the Ministry of Health and we still are audited by the Ministry of Health, it's just not Ornge. As a matter of fact, when they audited us—and I know it has already been stated in here. When the Ministry of Health comes in when we have to renew our licences, it's usually the only time we'd ever see them, but that was a very extensive audit.

When they first started auditing us as a licensed air ambulance service, there was a learning curve because they were used to auditing land ambulance services, but they've come a long way. It's probably one of the most thorough audits that we ever go through.

Just as a side note, as a matter of fact, for the first time since I've been in the business, on the 28th of August, the Minister of Health walked in and did an unannounced audit. It was a quick, unannounced audit. She caught me at a bad time, but regardless—

Mr. Bill Mauro: Was the audit financial, operations, everything?

Mr. Bob Mackie: She had a check sheet; it was basically a spot check. They weren't going through documentation. They were going through the basics: Was the ambulance clean inside? Was it stocked? Was the crew available?

Mr. Bill Mauro: I appreciate that. So there were questions around the third-party audit process that's going on now, and that was interesting. I will say, more questions than answers I still have on that piece, but that's fine. But as you've just indicated, there are still Ministry of Health audits as well.

Mr. Bob Mackie: Yes. Well, they audit us every three years for the ambulance licence, and I mentioned we had this walk-in audit the other day, which was a first for me.

Mr. Bill Mauro: There's also a certification piece, correct? Every three years you're certified?

Mr. Bob Mackie: Every three years, yes.

Mr. Bill Mauro: Okay. As an operation, you've been in business for a very long time, and the previous question spoke a little bit to where I wanted to go with you as a private operator. Pre-Ornge, under Ornge and post, with the new administration of Ornge, what percentage of your overall business would have been related to air ambulance work? Is it higher, lower, about the same?

Mr. Bob Mackie: No, we're doing about half of what we used to—

Mr. Bill Mauro: Half of what you used to be. So as a percentage of your total work—I mean, if you made \$100 a day before and \$5 of that used to be air-ambulance related, today it's \$2.50 or—

Mr. Bob Mackie: Today it's about 35% of our business.

Mr. Bill Mauro: Air ambulance today is 35%?

Mr. Bob Mackie: Thirty-five per cent of our business, and it used to be closer to 65%.

Mr. Bill Mauro: So it was always a very significant piece of your work.

Mr. Bob Mackie: It was a very significant piece of a lot of air carriers' business, and that's one of the things where we were trying to raise the flag for a number of years. It's just that some air carriers couldn't survive and diverse themselves.

Mr. Bill Mauro: Right, okay. That's good to know. Thank you.

When you tender now through Ornge, for you, there must be some guaranteed component. I haven't had a chance to read this document that's here before us today, that was on the table when we walked in this morning. I don't know how many pages this is but it's over 100. As a private carrier contracted through Ornge for the provision of air ambulance, are you guaranteed a minimum number of hours or a minimum dollar value on an annual basis just so you're there and available when required?

Mr. Bob Mackie: We are now, yes.

Mr. Bill Mauro: Is that new?

Mr. Bob Mackie: It's relatively new, depending how long you've been around. For me, it's relatively new. It was this contract and the last contract they had that.

Mr. Bill Mauro: Okay.

Mr. Bob Mackie: A minimum guarantee, but that minimum guarantee was a negotiated number.

Mr. Bill Mauro: So this contract and the previous contract—the previous contract would have taken us back to what year?

Mr. Bob Mackie: It was—

Mr. Bill Mauro: A three-year contract? How long?

Mr. Bob Mackie: Yes, it was three years. It got extended one year due to the kerfuffle about a year and a half ago, so it ended up being four years.

Mr. Bill Mauro: Back?

Mr. Bob Mackie: Yes.

Mr. Bill Mauro: So 2009?

Mr. Bob Mackie: Yes, 2009, I think. If memory serves, I think the last one was 2009.

Mr. Bill Mauro: So somewhere around 2009, it became a part of your contract that you have some guarantee. To me it makes perfect sense, obviously. I don't think that you could probably be involved in this business any other way. If you've got people on standby, obviously you've got an expense that you need to cover.

Mr. Bob Mackie: In fact, that's not to say—there are provisions in this RFP for people to have aircraft available with no guarantees, okay? In fact, that used to be the norm, under the Ministry of Health and Ornge, up until, let's say, 2009. The number of hours guaranteed would be something that would be negotiated—

Mr. Bill Mauro: Would that be based on historical service volumes?

Mr. Bob Mackie: I think you would find that it was pricing.

Mr. Bill Mauro: Okay. So did you say that some carriers still today have zero guarantee?

Mr. Bob Mackie: I cannot say that. The provision is there that it's possible. We don't tell each other how much business we have.

Mr. Bill Mauro: Well, we can just then contain it to you and Thunder Airlines. So for four years you have had a guaranteed revenue stream. To me, that makes complete sense, and it's understandable.

Mr. Bob Mackie: Yes. The first contract in 2009, we—how shall we say?—lost the bid. We were not the lowest-priced carrier, so in fact we ended up closing bases. We had a fixed-wing in Sudbury and one in Timmins, and we shut down one in Thunder Bay.

Mr. Bill Mauro: But the combination of the work that you do—I think there are five private carriers contracted.

Mr. Bob Mackie: There are now, I believe, yes.

Mr. Bill Mauro: Okay. Again, it may be a question that you're not able to answer, but the totality of what's available—I take your point about what has happened historically through Ornge, but your aircraft and the other four private carriers, fixed and/or ambulance, along with what Ornge has in its fleet—do we know if there are now more or fewer aircraft available to service the population than there were previous to the creation of Ornge?

Mr. Bob Mackie: That's difficult for me to say for certain, but I would tend to say that there are fewer. There are definitely fewer operators, and there are definitely fewer SOA bases.

Mr. Bill Mauro: As a private contractor—there was a question previously about fewer bases, and that's a serious issue. I don't know that it necessarily means reduced

service. I don't know that. You're the professional; you might be able to speak to it better.

I think of the example back in the city of Thunder Bay. Right now, they're just reworking where their fire halls are located. I don't know if they're ending up with one reduced base, but they feel like, with the geographic distribution of the newer bases that they are building, the response times will actually go down for the fire trucks leaving the hall.

My question to you is that, and I think a previous question from Ms. Gélinas asked that. There are fewer bases. Does it necessarily mean—are the response times slower than they used to be?

Mr. Bob Mackie: They're basically going to be. Just to put it into perspective, you have fewer bases. You no longer have an aircraft in Hearst anymore. You don't have one in Fort Frances. You don't have one in London or Kingston. I could go on. There are a lot of places where you don't have aircraft anymore. Those aircraft, which were pre the last guarantee, were not costing the government a dime.

Mr. Bill Mauro: Okay.

Mr. Bob Mackie: They were there. People made them available.

Mr. Bill Mauro: You're talking private carriers.

Mr. Bob Mackie: Private carriers.

Mr. Bill Mauro: So you're—

Mr. Bob Mackie: They made them available. They still had to meet ministry requirements. They were licensed ambulance services, and under Ornge they just ended up closing up shop. They couldn't make it go. Now what you have is, if there's a patient in London who needs to get moved—or a team out of London or someone out of Kingston that needs to get moved—instead of the airplane being there and ready to go, you've got to fly one in. It's going to take more time; it's definitely going to cost you more money.

Mr. Bill Mauro: All right. The piece that you chatted a bit about was this advanced care piece. You focus now on the primary care part. With paramedics, it's my understanding that there are primary, advanced and also critical-care paramedics. Is that—?

Mr. Bob Mackie: That's right.

Mr. Bill Mauro: I just met a young man in Thunder Bay from Sault Ste. Marie last week who was explaining this to me. He's looking for a job right now, actually; a young guy from Sault Ste. Marie whose girlfriend is going to education school in Thunder Bay. In any event, he is a primary-care paramedic, and he was explaining to me that to be critical-care—we haven't had any discussion about that, and maybe it does not fit into the air ambulance system; I don't know, but I think it does. I think there are critical-care paramedics on air ambulances, but we haven't heard any discussion about that. He said it's—is it an extra three years of training beyond the advanced-care level?

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Mr. Bob Mackie: I can't speak to the three years—I don't know—but it's definitely—

Mr. Bill Mauro: Seriously more.

Mr. Bob Mackie: It's serious, and the critical-care paramedics in the system are excellent and do a lot.

Mr. Bill Mauro: How much time do I have?

The Chair (Mr. Norm Miller): Three minutes.

Mr. Bill Mauro: Do you have a question that you want to ask?

Ms. Helena Jaczek: You go.

Mr. Bill Mauro: From the advanced-care piece we were talking about—I think there was an example you raised, Big Trout Lake—you did say there is a base in Sioux Lookout.

Mr. Bob Mackie: Yes.

Mr. Bill Mauro: And you did talk about the money part, from Ornge's perspective, that this would have been seen as a cost saving for Ornge not to have that particularly trained paramedic on the bird that's flying up, because they were going to get support on the end when they got the patient, if I'm understanding this correctly, and it would have been a nurse and/or some other health professional who came back with the patient you went to pick up.

Mr. Bob Mackie: Well, just to be clear, that would be if they were sending out a primary-care aircraft, such as ourselves—

Mr. Bill Mauro: Right.

Mr. Bob Mackie: —which, you know, could have been advanced care. Instead, we would depart, say, Thunder Bay, pick up in Terrace Bay, Armstrong, Marathon, Geraldton—wherever—and bring them back, and then it would be up to the hospital to make sure they sent a nurse, doctor or whatever.

Mr. Bill Mauro: I guess what I'm trying to get at with this question is the care level for the patient who is being picked up. From your perspective, you were not travelling the first leg of the journey with the advanced-care paramedic on your plane. You would know what's required—what the patient's needs are—but the hospital was then responsible to staff appropriately on the flight back to the hospital.

I was just a little worried that maybe the impression was being left that from a care perspective, the patient was not being appropriately cared for. It was almost a bit of a transfer of financial responsibility, if it's fair to say that. I'm interested in your comment on that.

Mr. Bob Mackie: It was, and I'll take the business hat off and go to the one day it might be Bob—who's-the-patient hat. What it boils down to—and I knew Chris Mazza fairly well, actually. His focus, up until 2006, was that he did not want those nurses. It was about patient care—

Mr. Bill Mauro: Okay.

Mr. Bob Mackie: —and that is why he was such a proponent of inter-facility advanced care. He didn't want—probably somewhere I've even got the memos from his office saying they wanted to do all these transfers. They wanted these advanced-care people. They wanted to increase the level of care in the back of the air ambulances to that point, and then all of a sudden one day it just, like I said, stopped.

Mr. Bill Mauro: So the person on the other end who is travelling back with the patient—and the health care profession example you were using in response to the question from Ms. Gélinas was a nurse. Now, I don't know if that's just you being colloquial and saying it's always a nurse, sometimes it's a nurse or if it's a different professional.

Mr. Bob Mackie: They send who they require to deliver the amount of patient care required. You know, sometimes I've had two doctors in the back.

Mr. Bill Mauro: That's kind of my point. So, again to the service level, whether Mr. Mazza was interested in advanced-care inter-facility transfer or not, that's fine. At the end of the day, the question still remains for all of us, given that that's not work you do anymore, that the patient on the other end who is coming back in your aircraft has the appropriate health care professional with them when they're coming back.

Mr. Bob Mackie: They have a level of care, and I will agree with Dr. Chris Mazza on this: The level of care that most of them are getting with a nurse who has been brought in off the floor versus having a trained advanced-care paramedic in the back of the airplane is not the same.

Mr. Bill Mauro: So an advanced-care paramedic—

Mr. Bob Mackie: There are actually two paramedics on board on those flights. There's a primary and an advanced-care; the primary assists the advanced-care. The level of what they can do for a patient is very high.

Mr. Bill Mauro: If you could leave this committee with a recommendation, this might be one thing that we can take away from this. You believe that that might be a gap in service?

Mr. Bob Mackie: Yes.

Mr. Bill Mauro: But you also said in your previous comment to the same question that sometimes there are doctors on the plane with patients who are coming back, that it's not always a nurse. The fact that there's not always an advanced-care paramedic on the aircraft doesn't mean that the patient's not necessarily receiving the level of care they need for the return flight.

Mr. Bob Mackie: No, the advanced-care can handle a bulk of the serious cases, but of course, that's why you've also got critical-care paramedics, right?

Mr. Bill Mauro: No, my question, though—

Mr. Bob Mackie: And to be honest with you, and just from my experience, with some of these transfers, especially if I was an acute patient, I'd rather have the critical-care paramedic with me than the doctor, with all due respect.

The Chair (Mr. Norm Miller): Okay, and we're a little bit over time.

We have a couple of minutes left. Mr. Klees.

Mr. Bill Mauro: Sorry, Mr. Chair, how is that the case? If we all had 20 minutes, how is there still more—

The Chair (Mr. Norm Miller): Actually, you've had 23 now.

Mr. Bill Mauro: No, I'm asking you—

The Chair (Mr. Norm Miller): I'll come back to you if you just stop talking. We'll get around, and you'll get another—

Mr. Bill Mauro: Well, I thought we each had 20, and then we were done.

Mr. Frank Klees: Mr. Mackie, on the issue of the technical requirements within the contracts, I understand that all aircraft under these contracts are required to have a traffic collision avoidance system installed.

Mr. Bob Mackie: That's right.

Mr. Frank Klees: What is the cost to have that installed?

Mr. Bob Mackie: It varies a little bit depending upon what you've already got in the airplane. It's one thing to buy a little black box and put it in the remote—you also have to install antennas—but it's also how you display it in the cockpit to the crew. To install it, it would vary—but \$50,000 to \$70,000 or more.

Mr. Frank Klees: To your knowledge, do all carriers comply, or have all carriers complied, with that contractual requirement?

Mr. Bob Mackie: Today, I can't speak to that. Previously I had a concern because I don't believe that was the case.

Mr. Frank Klees: Has Ornge monitored and inspected the aircraft to ensure compliance?

Mr. Bob Mackie: I think we've already said here today that they don't, but to my knowledge, my answer would be if they looked at it, they didn't know what they were looking for.

Mr. Frank Klees: Okay. What is the implication to the carriers? If one has complied and the cost is \$70,000 to install that, and another carrier has not complied, obviously there are some very serious implications to your ability to carry on.

Mr. Bob Mackie: Well, there's going to be—you asked me where you might want to cut back on things. Well, I suppose that's one. If you're not being compliant with the contract, if you can save 70 grand times a few airplanes, that adds up pretty quickly.

Mr. Frank Klees: One last question, if I might—

The Chair (Mr. Norm Miller): Sorry, that's it.

Ms. Gélinas, do you have another question?

M^{me} France Gélinas: No, I'm good. Thank you.

The Chair (Mr. Norm Miller): Mr. Mauro, back to you.

Mr. Bill Mauro: I'm fine.

The Chair (Mr. Norm Miller): You're fine. Okay. Please go ahead, then.

Mr. Frank Klees: One last question: satellite telephone.

Mr. Bob Mackie: Yes.

Mr. Frank Klees: How important is that to the operation of an air ambulance?

Mr. Bob Mackie: It's extremely important. Our medics are actually, at times and as need be, literally on the phone in the air, talking to the doctor at Ornge and receiving direction as needed.

Mr. Frank Klees: If that air satellite telephone is not functional in an aircraft, what is the implication?

Mr. Bob Mackie: It could be extremely serious, given what the situation was at the time. We don't use it that

often, but when you need it, you sure need it—again, depending on the patient.

Mr. Frank Klees: If it's a critical patient?

Mr. Bob Mackie: You need it.

Mr. Frank Klees: You need it. And if you have a critical patient that you're about to transport, and you don't have a functional satellite telephone, what happens? Do you lift off?

Mr. Bob Mackie: You're not supposed to. That would be a call made by the medic at the time.

Mr. Frank Klees: Thank you.

The Chair (Mr. Norm Miller): Thank you very much for coming back a second time to the committee. We appreciate it.

We're recessed until 12:30.

The committee recessed from 1020 to 1232.

NORTHERN AIR SOLUTIONS

The Chair (Mr. Norm Miller): Okay, I'd like to call the committee to order and welcome Heather Vandertas, president of Northern Air Solutions, to the committee this afternoon.

I'd just like to confirm that you received the letter for a witness coming before the committee. Very well. Would you like to do an oath or an affirmation?

Ms. Heather Vandertas: Oath.

The Clerk of the Committee (Mr. William Short): Ms. Vandertas, do you solemnly swear that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

Ms. Heather Vandertas: I do.

The Clerk of the Committee (Mr. William Short): Thank you.

The Chair (Mr. Norm Miller): Thank you. You have up to 10 minutes for an opening statement, and then we'll go to questions.

Ms. Heather Vandertas: Good afternoon, Mr. Chair and ladies and gentlemen of the committee. My name is Heather Vandertas, and I am currently the president and accountable executive of Northern Air Solutions.

I do believe that we are all here for the same reason: We want quality patient care, we want transfers that are done safely and efficiently, but most of all we want a level of standards and business practices to which we all are held accountable.

Northern Air Solutions currently operates our base out of two services and two locations: Muskoka and Thunder Bay. We offer primary and advanced patient care to the citizens of Ontario through our standing agreement with Ornge. We have been conducting our business for the past eight years, originally as directed by the Ministry of Health and now, currently, Ornge. We have seen a lot of changes in the system, many of which are the reason why we are here today.

Personally and at Northern Air Solutions, we follow a particular philosophy that it is not what happens but how we deal with it that matters in the end. I ask the question

regularly of myself and our staff: Are we a part of and focused on the problem, or are we actively working on being a part of the solution? There is always an answer, but sometimes we must dig deep to find it.

I believe that it is possible to possess incredible gifts, talents and abilities, surround ourselves with amazing people, accomplish great feats and count our many successes, but when it matters most, our name, credibility, reputation and integrity are all that people will remember. Those, once lost, are, if not impossible, extremely difficult at best to salvage.

The question now is, how will confidence in all things Ornge be restored?

May I commend each of you on the committee for your diligence, the hours that you have spent poring over testimonies, transcripts and reports that you have been given. It appears a daunting task, and we all appreciate that you have not given up in the search for the truth of what has happened, how and why.

We hope that this committee will discover that which also continues to need to be addressed, that you will draw your conclusions and reach the ever-important decision of how best to rectify the auditor's findings in his reports.

Greed, selfishness and fear should never be the driving philosophies of any organization. As history has proven yet again, these castles eventually crumble, and as the empire falls, many good people are hurt in the process.

There has been much finger pointing and blame-shifting, and several people have tried avoiding taking responsibility or ownership for their part in allowing, or continuing to allow, these things to occur.

We have seen some progress and some justice; some people have been dismissed, stripped of their positions, and rightfully so. There are conflicting reports out there regarding packages and settlements that were reached as a part of that, which seems highly inappropriate to me based on the level of damages done, if true.

Let us not forget those who have come forward and who were willing to confront the tough issues, individuals who had the courage to say that the emperor had no clothes and who were willing to do something about it, those people who lost their jobs—or worse, were forced to resign, tainting their reputation and possibly career by doing so—and were being painted as disloyal, untrustworthy and troublemakers at the time, when in fact the very opposite was true.

Success is not a measure of who we have stepped on but what we have stood for. We as a people need to realize that atrocities from the past and those in the present were and can only be changed when people choose to have a voice, come forward, speak up, lead by example and stop what is happening. Do the right thing because it is the right thing to do. May we always be mindful to create the kinds of environments where it is safe to do so, and I believe that the whistle-blower policy is a step in the right direction.

As leaders, let's own our mistakes; let's learn from them. Let's accept responsibility for our part in it and then go on from there. I believe that we have reached that

point, as these hearings are drawing to a close, where it is time to lay aside our own personal agendas, business and political, as really the taxpayers deserve it.

This committee itself is proof that we can unite for a common purpose—put down our party colours, if you will, for the bigger picture—and focus on the goal of now getting it right.

We cannot change the past, but we can learn from it. What happened in the former regime, the out-of-control behaviour of individuals who governed under the principle that they were not accountable and answer to no one, is unacceptable. Therefore, policy practices and governance must be put into place so that this does not happen again. There must be measurable accountability; this needs to be the priority in all departments and every level of service that Ornge provides, and this, of course, would include the SA carriers.

It is time to move forward in a positive direction. My hope is that this committee will provide concrete solutions, that you will be heard and that the processes will be implemented to effect the positive change within this system.

I do not believe that every government official is corrupt, that all levels of management are self-serving, and I choose to hope that those currently in places of leadership will, with the information in hand, be able to finally set things right.

There are those who have survived the fallout at Ornge—good men and women, workers, managers—who care about what has gone on, and there needs to be a forum to get the input of the operation's managers, the supervisors, those who have transitioned all of the changes. Listen to them; they are a great resource.

I want to commend the dispatch centre for the hard job that they do. The multiple computer programs, data entry systems, formulas that were thrown at them, which seemed to be changing monthly, could not have been an easy task to manage. I know that through these transitions there were cutbacks to staff, and I hope that the current resources and manpower will be allotted accordingly and that they all get the tools that they need to do the job to the best of their abilities. Their position is vital and stressful. Their environment is rapidly changing and fluid. They must be flexible multi-taskers, and they need to be properly trained. Listen to them. Get their input. They understand the needs of the patients, the issues of the weather delays, ambulance delays and so much more. They understand better than any computer program ever will.

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We are so blessed to have an incredible group of individuals who work for Northern Air Solutions. Our management and executive staff, our outstanding aviation team, the dedicated 20-plus advanced- and critical-care paramedics, our primary medical staff and our maintenance group all work diligently and consider it a privilege to serve the citizens of Ontario. It has always been our desire for continual open dialogue with the ministry and with Ornge.

The standing agreement contract contains within it very stringent guidelines and parameters. All of the checks, balances and criteria are written into the agreement for we the carriers to follow. If adhered to and continually monitored not only at the time of signing the agreement and being awarded a contract but throughout the entire term, I believe the level of care, the level of safety and the level of services would increase as we would all be held to the same standard.

We are hopeful that the vision, mission and values that we as a company continue to adhere to can propel us into the future, resulting in strategies and co-operation that will enhance the overall air ambulance program.

In closing, when you strip away all the boards, committees, charts, notes, graphs and debate, the one thing that we must never forget, the most important thing, is that every day, men, women and children find themselves in a crisis situation, and they look to the emergency medical services programs for help. Often air ambulance is taken for granted and not even thought about until that time of need. If it were your loved one, your neighbour, your friend, you would want to trust that the very best, most excellent and safest care possible would be available to you.

I thank you for your time.

The Chair (Mr. Norm Miller): Thank you. We'll go to the NDP for questioning. Mr. Singh.

Mr. Jagmeet Singh: Thank you for coming, and thank you for your introduction. You mentioned that you have an existing relationship with Ornge. Can you just briefly elaborate on what services you provide? I understand they would mostly be inter-facility transfers, is that correct?

Ms. Heather Vandertas: Yes.

Mr. Jagmeet Singh: Okay. How often, in a given week, are you providing these services?

Ms. Heather Vandertas: Daily.

Mr. Jagmeet Singh: You were providing these services for how long? Approximately when did you start providing services for Ornge?

Ms. Heather Vandertas: Eight years ago.

Mr. Jagmeet Singh: So from your perspective as a carrier, when did you notice there was something wrong at Ornge, and what did you notice? What were the first things that you noticed?

Ms. Heather Vandertas: Well, I would say that the first situation that came to our attention was the fact that there were rumours that Ornge was going to be starting its own aviation service. I know that we were at a meeting, and I had asked our VP of aviation at the time who would be governing or accountable for that particular service. I didn't find it extremely inappropriate because there always was a dedicated level-of-service provider apart from the SA carrier. I was told, by asking some questions, that the contract had expired and that there wasn't going to be a new scenario in place. It was disheartening to learn that. We heard that the process wasn't tendered, which we believe is necessary—

Mr. Jagmeet Singh: The appropriate way to do it.

Ms. Heather Vandertas: Yes. So when I asked the aviation management team basically, who was going to govern that, because the director of aviation at the time was looking after us as an air carrier and all of the standing offer agreements, I was told that that wouldn't be an issue. I believe that it's very complicated and time consuming. It's a very important role to run an aviation program, an air charter service. The fact that one individual would technically now be responsible to look after us and themselves—I just found that a little disturbing.

Mr. Jagmeet Singh: And in terms of the actual practices going on at Ornge, did you have any indication, from some objective criteria that you saw or that you heard of that was going on at Ornge, that led you to believe that there might be something wrong, besides this perception that they were going to be entering into the aviation field?

Ms. Heather Vandertas: I think, for me personally, we had believed that once Ornge took over and had gotten into place—there were many directives and conversations that were held—there would be a partnering with stakeholders, that there would be a new level of service provided, that everything was going to be amalgamated and we would be, in effect, a part of that team, a part of that level of service—that we would be now brought into working alongside Ornge.

Apart from being dispatched and doing the job, I don't feel that the levels of performance, the scorecard that was built in or the different parameters that were built into the RFP that said that we would be working closely with Ornge—I don't believe that that really occurred.

Mr. Jagmeet Singh: So besides anything work-related in terms of your ability to get contracts or to work with Ornge, in terms of Ornge's actual performance in their delivery of care, did you notice anything that was going on from your third-person objective viewpoint, because you're not in the industry? Did you notice anything that was going on with Ornge and its operations?

Ms. Heather Vandertas: I would say no.

Mr. Jagmeet Singh: Okay.

M^{me} France Gélinas: So you still provide services daily for Ornge.

Ms. Heather Vandertas: Right.

M^{me} France Gélinas: Would you say that the types of services that you provide have changed?

Ms. Heather Vandertas: No. I would actually say that, through the last couple of years, it has increased for us as an organization because we only do air ambulance. We weren't an aviation company that does air ambulance as a side to everything else that we do. We built our organization to be able to provide air ambulance services, so our focus is to provide care, to provide equipment and to be available for them to use.

M^{me} France Gélinas: And who do you usually serve? From which hospital to which hospital is your bread and butter?

Ms. Heather Vandertas: All over Ontario. We go everywhere.

M^{me} France Gélinas: Do you service northern Ontario from Muskoka?

Ms. Heather Vandertas: Thunder Bay.

M^{me} France Gélinas: From Thunder Bay?

Ms. Heather Vandertas: Yes.

M^{me} France Gélinas: Okay. And so you would be able to provide services in any part of the province, as asked.

Ms. Heather Vandertas: Yes.

M^{me} France Gélinas: Okay. I'm sorry; I missed the beginning.

Ms. Heather Vandertas: That's okay.

M^{me} France Gélinas: Do you offer solely primary care, or do you offer advanced and critical?

Ms. Heather Vandertas: Not critical. Advanced and primary.

M^{me} France Gélinas: And would you say your services are more requested for one level or another?

Ms. Heather Vandertas: I would say currently we are doing a lot more advanced care than primary care, but we are available for both.

M^{me} France Gélinas: And do you see a change in the mix, or in the type of patient that you transport?

Ms. Heather Vandertas: No. I would say that the patient care scenario has pretty much always been the same.

M^{me} France Gélinas: It has stayed the same?

Ms. Heather Vandertas: Yes.

M^{me} France Gélinas: Okay. I don't know if you heard some of the previous speakers. You talk about a growth in the amount of calls that you service for Ornge. Others have talked about declining. Can you explain how come you have fared so much better than the other carriers?

Ms. Heather Vandertas: Well, I would hope that it's because of the level of service that we provide. I think that we try very hard to not only meet but exceed the standards that are put before us. We are available. Ornge, first and foremost, is our primary contract, so we are available to them when they need us. I think that we simply do a good job, and we are available.

The control—the dispatch centre—can count on us to always accurately give our availability, our times and our locations. We work very hard with the paramedics to move the patients quickly and effectively. I believe that as Ornge, perhaps, has gotten busier and needing to move potentially more patients, maybe as other carriers have opted to diversify a little more and not be as available to them, that would create, perhaps, holes in the system that maybe we would be filling.

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M^{me} France Gélinas: It's as good an answer as any.

You are a standard offer agreement. You are an aviation service. Except for not liking more competition to come into a limited pie, why are you and your predecessors so opposed to Ornge having its own aviation service? You yourself started a new aviation service. You're successful in doing this. You're making a living. You're expanding. You're creating jobs. It's all good.

Ms. Heather Vandertas: Yes.

M^{me} France Gélinas: Why is it so bad when the government or an agency of the government, in this case

Ornge, does the same thing as you and starts a new aviation service? Why is it so wrong?

Ms. Heather Vandertas: I, personally, am not directly opposed to them having their own aviation service. I spoke at the beginning of my opening statement that I did not find it unusual because there was a dedicated service prior to that. There was a helicopter program. There was an additional service provided that I was not a part of.

As I said, the only thing that I found unusual in the fact that Ornge themselves did it was that we were told they were never going to do that, then we were told they were going to do that, then we were told that was why: to become only dedicated to do the critical calls, to create a better service and to amalgamate all of the issues that were out there. Again, I did not have a problem with that.

What I did wonder about was when we were told that there would never be a competition between us for patient care and for services, that the primary level of care would never be performed by Ornge. So when the fixed-wing started to appear—again, it was said to pick up the slack, to be more available alongside the helicopters. That's what we were told, but it is a small world. When people in the field who are flying for Ornge, flying for us, flying for any other carrier, are all sitting down and having coffee or lunch in an FBO in Sudbury or London and they're talking about where they're flying off to, how the weather is, having general conversation and knowing that they were moving primary patients as well, as a business person you do start to wonder how much of that will encroach upon your current livelihood, because that is all we do and what we've created our organization to do. The fact is that we were told it wouldn't happen.

I understand, from the business perspective of Ornge, that if they have all this machinery and they have the people to do the job, then obviously they're going to use their own tools to get it done prior to and over and above us. I'm not directly opposed that Ornge has an air service per se; it's just some of the manner in which it was done and how we weren't truthfully given the big picture, if you will.

M^{me} France Gélinas: All right, good answer; I appreciate your openness and your truthfulness.

We can't change the past, any of us. Believe me, it would be really different if I could, but I can't and neither can this committee or any of us. If we concentrate on the future from now on, what would make a better air ambulance service in Ontario?

Ms. Heather Vandertas: I think, as I said in my statement, the stakeholders working together, having a united panel of people who share ideas, collectively function and lay our agendas aside to do the service.

I think that it's important to me, as an arm of what Ornge does, moving patients in exactly the same manner in which they do, to be a part of some of the training and some of the offerings that they put together, because everything is done—and it is costly to run an aviation service. I'm sure, as you've read some of the things, you can see that.

As a taxpayer it was a little awkward to have to go and use all of my own money and resources to fund a pro-

gram and then, as a taxpayer, fund a program that's doing exactly the same thing in opposition to me as opposed to collectively working with and for me.

M^{me} France G  linas: So if we take your idea of all of the providers, including Ornge's own aviation service, working together, how do you put safeguards in place? You are a for-profit company. If there is no money in there for you, you're out of there. You're out of business.

Ms. Heather Vandertas: Correct.

M^{me} France G  linas: I'm not being mean about it; I am stating the obvious.

Ms. Heather Vandertas: No, I understand.

M^{me} France G  linas: I don't wish any harm upon your company. I hope you will fly for a long time. But at the end of the day when you bring the players together, you are bringing players who, whether they stay in business or not, depend on getting a deal. We are human beings. How can you check that at the door? It's a pretty hard thing to do.

Ms. Heather Vandertas: It is, and I believe that the former management of Ornge created such a tangled, intricate level of services and combined them all so tightly that that is why I say that we can't change the past, and I don't think you can just immediately dismantle everything that's in place because the taxpayers and the patients of Ontario will suffer.

I'm talking more about innovative ideas. I'm not talking about us all sitting around the table as carriers collectively driving the prices. I'm talking more about the ability of CEOs and management to maybe come by and see us, get some input and see what we feel, because we're in the field, flying on a regular basis, performing the level of services. What do we need? What could be improved? Just getting our input is more what I mean.

M^{me} France G  linas: Which would make sense. If we come back to focusing on the future, you are in charge of those innovative ideas coming forward. What would be the first thing that comes to mind?

Ms. Heather Vandertas: I would think that it would be very prudent to sit down with the new managers and people in oversight that are governing what it is that we do. I think, as we said, that this request for proposals should be followed and should be mandated, and we should be audited and checked to ensure that we're doing that on a regular basis with the people who are educated and understand what it is that they're looking for and looking at.

M^{me} France G  linas: Thank you. You make a very good point. So you feel right now that although we have this document, the request for proposals, if nobody checks that all of the carriers are actually delivering, then it's all for naught.

Ms. Heather Vandertas: Right.

M^{me} France G  linas: I want to take you back to patient care. You are there on the front lines. Your staff is there on the front lines. Do you see shortcomings directly related to the care that people receive that, if you tell us, we could improve?

Ms. Heather Vandertas: I think that there is basically the ongoing issue of a lot of it you simply cannot control, like ambulance delays, so just tightening up things at the dispatch centre, the on-the-ground facilities talking with each other, having an understanding of what it is so that when we're coming in with a seriously ill patient, there isn't a miscommunication that the ambulance is there waiting, ready to transport, and not a lot of time spent sitting on the ground, waiting around with patients in the aircraft. I think that is an ongoing concern—

M^{me} France G  linas: That actually happens? Could you tell me the last time you saw that, where you actually did your work, you went and did the pick-up, you were back at the airport and the land ambulance was not there?

Ms. Heather Vandertas: Yes, oftentimes it will occur that the land ambulances themselves get called to another call, knowing that we're coming in. I'm not sure of the intricacies of how each community functions with their CACC service in how the call is dispatched, and I know that Ornge contacts them to have them come out. Simply logistics, again, plays a huge factor that needs to be focused on because in places like Sudbury and Sault Ste. Marie there's quite a drive just to get to the airport from the community itself, and so those delays can take a while.

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Mr. Jagmeet Singh: You mentioned in your opening comments something about the need for protecting whistle-blowers, if someone wanted to come forward and raise concerns or raise issues. Maybe you could elaborate on that and how we could work towards creating more protection for whistle-blowers.

Ms. Heather Vandertas: I think, simply, the policy that you're looking to address will accomplish that.

As I said, people have noticed for a long time, and had noted—people, of course, privy to a lot more information than myself; you know, financial things and just conduct—that there was a fear to come forward; that you would lose your job; that perhaps you wouldn't be awarded a contract. There is that saying out there, "Don't bite the hand that feeds you," and we're all aware of that.

There are many times, I believe, that if there's not an open communication and the ability for people to feel value, to feel trusted and to feel that they are safe in bringing forward their concerns and cares, they're not going to speak up. They're going to maybe look for another job. They're maybe going to resign that position, because they feel maybe no one is listening and perhaps no one cares.

Mr. Jagmeet Singh: It's a great point, and it's very important that we allow people that forum, that ability to come forward with their concerns.

Do you know if any SA carriers—you don't have to say who or any specific details to identify them. Did SA carriers generally have any concerns that they would have liked to have brought forward about Ornge, about what was going on at Ornge, besides the aviation bit? Was there anything that you were aware of that carriers were talking about, that they said, "If there was a way for

us to let people know about what's going on at Ornge" back when things were not going well?

M^{me} France Gélinas: And just to further clarify, in your statement right now you just mentioned that people were noticing financial things; they were noticing contracts—any of this that you, as an aviation service, had noticed yourself, or your staff had noticed about Ornge?

The Chair (Mr. Norm Miller): You have one minute.

Ms. Heather Vandertas: Well, specifically, I would say that just implementing—and there's nothing necessarily wrong with that, but continually, whenever Ornge decides that there's a new piece of equipment or, you know, engraving their name on the back of their seats—when they ordered the brand new aircraft, they could do those types of things.

I would say that just a lot of money spent on programs, I think, apart from the aviation side—and it has been spoken to, the idea that that organization—but it is common amongst all of us—would be potentially looking for qualified, trained people to fill the roles of pilots and medics, and that the very aspect that they have a large budget provided by the Ministry of Health to fund that—it is difficult for a small operator, perhaps, to potentially compete with the salaries and all the benefit packages and things that are out there. It would be appealing and would be enticing for people to leave even a great organization, to go for the further package. That would be some of it. Their budget was a lot bigger, to do the same job that they were mandated—and we are as well—to do.

I would say that the aviation aspect was probably the greatest concern of the carriers. I think that we've all heard testimony of the spending habits of former management, so that in itself—as we had seen in small portions, until this committee and the auditor's report exposed the full measure of that.

Mr. Jagmeet Singh: What did you see—

The Chair (Mr. Norm Miller): I'm sorry, we're out of time, so we'll move to the government. Mr. Mauro?

Mr. Bill Mauro: Good afternoon, Ms. Vandertas. Thank you very much for being here today and taking the time to give us this presentation. It's insightful and helpful, and I appreciate you being here.

I mentioned this morning, when Mr. Mackie was here from Thunder Airlines, that I really appreciate the opportunity that, from the government side, we have an opportunity in front of the cameras to discuss agencies as distinctive from government-run ministries, because I know that the general public doesn't make the distinction. When something happens in an agency like Ornge or eHealth or the OPA—whatever it may be—they'll pick up the phone and they'll say, "Billy, what the heck is going on?" When I try and explain some of the distinction, of course, that lasts about five seconds and their eyes glaze over, as would mine. That's why I think this is a wonderful opportunity, and I always like it when agencies are called before a committee that we on the government side are on because it gives us a chance to speak a little bit about the administration and why sometimes

some of these things tend to go—if I could use the word—a bit rogue. I appreciate your insights in the discussions on whistle-blowers and all of that. I very much appreciate it.

How many employees do you have right now?

Ms. Heather Vandertas: About 50.

Mr. Bill Mauro: Fifty?

Ms. Heather Vandertas: Yes.

Mr. Bill Mauro: They're split between Muskoka, Thunder Bay?

Ms. Heather Vandertas: Yes, Muskoka, Thunder Bay, management, human resources—

Mr. Bill Mauro: But the split is—

Ms. Heather Vandertas: Those are the two bases, yes.

Mr. Bill Mauro: —about the same? Is it a 50-50 split?

Ms. Heather Vandertas: No. There would be more in the Muskoka base because that was the original—

Mr. Bill Mauro: Okay.

Ms. Heather Vandertas: That is where the bulk of our—

Mr. Bill Mauro: In response to one of the earlier questions, you mentioned "eight years ago." Is that when the company started?

Ms. Heather Vandertas: Yes.

Mr. Bill Mauro: Working backwards, your company would have begun almost at the same time that Ornge came to be?

Ms. Heather Vandertas: Yes.

Mr. Bill Mauro: Did you have a pre-Ornge history as a company?

Ms. Heather Vandertas: Just for one period of time with the OAA.

Mr. Bill Mauro: Yeah, it must have been a very short—

Ms. Heather Vandertas: One year, yes.

Mr. Bill Mauro: One year. So your ability to comment on—because there's this financial piece, of course, as a private operator that we very much respect, that you're, as mentioned by the opposition, in a business to make money. We need to respect that, but also for me, I'm very interested in care levels as have been affected by the changes at Ornge. You had only one year of experience as a company prior to Ornge. It leaves you perhaps less able to provide a broad-based opinion on the changes that would have occurred post-Ornge as compared to pre-Ornge. Would that be fair for me to say? You had a very small window of—

Ms. Heather Vandertas: Yes, actively participating. I was aware, as there was another air carrier in our community prior to starting our organization, who ended up retiring, and because that left what we felt was a hole in the industry—

Mr. Bill Mauro: A void.

Ms. Heather Vandertas: —a void—we opted to then start a service to carry that on.

Mr. Bill Mauro: So when you started your service, I think you said 100% of your work then—and I'm not sure about still—was air ambulance?

Ms. Heather Vandertas: Correct.

Mr. Bill Mauro: Then and still both?

Ms. Heather Vandertas: Yes.

Mr. Bill Mauro: Okay. So you're not charters, you're not anything else—

Ms. Heather Vandertas: We've done a couple of charters for the Ministry of Natural Resources with fire-fighting, that type of thing, with our excess aircraft, but we have dedicated ourselves to doing air ambulance—

Mr. Bill Mauro: Okay. So that's what I want to drill down to a little bit. God bless private industry, but your business model—if I'm you, I'd be a little worried. If I'm invested 100% in a government contract that gets retendered every—how many years?

Ms. Heather Vandertas: There's been a variety. Currently—

Mr. Bill Mauro: Even more dangerous.

Ms. Heather Vandertas: It's gotten better actually. The current one is three plus two.

Mr. Bill Mauro: An option for the ministry to go another two, or Ornge to go a further two?

Ms. Heather Vandertas: Yes.

Mr. Bill Mauro: So the option's with them. You're guaranteed three if you win?

Ms. Heather Vandertas: Yes.

Mr. Bill Mauro: Okay.

Ms. Heather Vandertas: What do you mean by "win?"

Mr. Bill Mauro: Well, if you are successful in the bid to get the work.

Ms. Heather Vandertas: Yes.

Mr. Bill Mauro: That's what I mean.

Ms. Heather Vandertas: Okay.

Mr. Bill Mauro: If you're not successful and 100% of your business is with them, then you're out there looking for work.

Ms. Heather Vandertas: Correct.

Mr. Bill Mauro: And you've got 50 employees who have a problem.

Ms. Heather Vandertas: Yes.

Mr. Bill Mauro: So my question is, what does it mean to you then, given that you're not a diversified business in terms of the RFP and how you bid—

Ms. Heather Vandertas: Yes.

Mr. Bill Mauro: Because there's a piece I'm going to get to in a second that's very interesting, that seems to contradict a bit of what was presented to us this morning. There are two components, is it fair to say? Broadly, it's about service levels, response times, that sort of thing, and cost?

Ms. Heather Vandertas: Correct.

Mr. Bill Mauro: So tell me what it means to you who have no other business line except the government work to bid? Does it mean you need to significantly go low when you go in to ensure that you're getting work? I'm just a little bit curious about that. I did a lot of tendering in my day and—

Ms. Heather Vandertas: Well, that would be the expected answer, but in our particular case it is not.

Mr. Bill Mauro: Right. Okay.

Ms. Heather Vandertas: I don't go into business to lose money, to not be able to give a level and a standard of service which is expected. So we have put financial things into place to ensure that the style and model that we use to conduct our business can afford some leeway. I don't believe that patient care should be in the hands of the lowest bidder, personally. I don't feel that that creates a safe environment.

Mr. Bill Mauro: Absolutely.

Ms. Heather Vandertas: I don't feel that that is prudent to anything that we're trying to accomplish. I believe in fair competition. I believe that there is room, obviously, for more than one organization to be able to do this, or we wouldn't all be working.

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Mr. Bill Mauro: Okay. I agree with you and I'm glad you said that, because in my day, when I was doing tendering, oftentimes you were a little bit worried and not so happy when a particular company was low-bidding—you had to give them the work if that was the only criterion you had—because you knew it would create more problems and you knew it could ultimately be more expensive for you, even though you had this lower bid; so I agree.

But for your protection as a company, if there are five SAs currently through Ornge, when it's tendered, how many bidders are there? Are there six? Are there 16? Do you have a sense?

Ms. Heather Vandertas: Well, I think there were probably 13 to 15 last time. When we started, you have to remember that there were 15 carriers at the time, so if you quickly do the math that the number of patients likely is increasing and hasn't decreased—

Mr. Bill Mauro: So you're busier.

Ms. Heather Vandertas: —then you would be busier, so we are expanding our organization, versus depleting it, to keep up with that demand.

Mr. Bill Mauro: Does the RFP itself have an accommodation for experience?

Ms. Heather Vandertas: Regarding what?

Mr. Bill Mauro: Regarding you as a company. Many RFPs will have a point-rating system. There could be anywhere from five to 50 different variables, and each one would be assigned a point value. Sometimes it might have experience in there. Still on the same theme here in terms of your ability to continually get work as a carrier through the SA, is there a point-rating system or some points attached? Is it just money and service? Do you get some accommodation for the years of experience you have in the field?

Ms. Heather Vandertas: I would certainly hope so. As part of your management plan, you do give your historical ability to perform service. The different levels of care are required. There's a lot of information in there that—you have criteria to meet.

Mr. Bill Mauro: So Ornge can look at that and say, "Look, we've got Northern Air here. They've done a

great job”; there’s some capacity or some flexibility for them to accommodate that in the decision?

Ms. Heather Vandertas: I would hope they would say that.

Mr. Bill Mauro: Okay. I’ve got a couple of more questions, and then I’m going to share with my colleague Ms. Jaczek.

I’m interested in your comments about advanced care. This morning’s presenter from Thunder Air I believe—and I’m being very careful; I don’t want to be seen as trying to put words in his mouth. But I thought, or at least I was left with the impression, that he no longer did advanced-care work. Either I’m wrong in my conclusion—because I was interested in that in terms of what it meant for patients and the care they were receiving. I was left with the impression this morning that his company was not doing advanced-care work. So (a) either I’m wrong; or (b), if I’m right, does it mean that of the five SAs, some may do advanced care and some don’t?

Ms. Heather Vandertas: Correct.

Mr. Bill Mauro: Okay. If a call came in that was an advanced-care situation—you work out of Thunder Bay, Thunder Air works out of Thunder Bay—there would be no choice but to give you the call, if it’s an advanced-care requirement.

Ms. Heather Vandertas: If they currently weren’t offering that service, then I would expect so. Ornge is there as well.

Mr. Bill Mauro: But to be clear—I apologize for pressing you on the point—some of the SAs, when they tender, are tendering, “We will provide advanced care,” and some of them are tendering, “We will not”?

Ms. Heather Vandertas: Correct.

Mr. Bill Mauro: Okay. This morning, some of us, including me, may have been left with that impression that when somebody took a flight to go pick up a patient in Big Trout Lake or someplace else, and they went up there and it was an advanced-care situation, it would be an advanced-care airline that would get the call.

Ms. Heather Vandertas: Yes. I think if you check the transcripts from the previous week, when you had other providers give their testimony, you would find that SkyCare also provides advanced care out of Sioux Lookout.

Mr. Bill Mauro: So if a carrier tells me that they only do primary care—

Ms. Heather Vandertas: That would be their choice.

Mr. Bill Mauro: —they would bid accordingly? “We only want to do primary care”?

Ms. Heather Vandertas: Yes.

Mr. Bill Mauro: Okay. That’s interesting.

You only do inter-hospital transfers? You’re just fixed-wing, so it’s inter-hospital.

Ms. Heather Vandertas: Yes.

Mr. Bill Mauro: Before I share my time with Ms. Jaczek, I want to speak a little bit about this land ambulance piece and when you land. It is a major issue. Just last week in Thunder Bay, we had a great little announcement where, for a relatively small amount of money, we

were able to create an incredible level of efficiency between the emergency management services, the hospital and the city, of course, which delivers the emergency management services as the designated delivery agent for the district of Thunder Bay. This is the model that we have now that was given to us from the previous government when the land ambulance became the purview of a DDA.

For a little bit of money, we’ve created quite a remarkable efficiency, the point being that those ambulances that you were talking about are going to be freed up much sooner when they’re bringing patients to a hospital.

Ms. Heather Vandertas: That’s good.

Mr. Bill Mauro: I appreciated your distinction in terms of the Sault Ste. Marie-Sudbury examples, where the airports are a significant distance from the municipality itself. Can you tell me a bit about your experience in Thunder Bay with the ambulance piece? When you return and you have somebody, do you find yourself waiting too long? And if you do find yourself waiting too long, what is it that might have occurred to create that?

Ms. Heather Vandertas: Well, I would think that the simple answer to that likely is the fact that there are only a certain amount of vehicles allotted to each community within their land ambulance service. Out of that, when air ambulance is coming forward to move patients, it is actually drawing different vehicles out of that system for a short period of time.

If there is a 50-car pileup on the highway and they all get dispatched there while we’re sitting at the airport waiting to move a patient—however, the dispatch centre does then work diligently to try to get a land transfer service that’s not an ambulance. Perhaps if—

Mr. Bill Mauro: And if it’s an issue of a non-emergent situation—

Ms. Heather Vandertas: A taxi—

Mr. Bill Mauro: —a delay would leave a patient uncomfortable and perhaps not happy, but necessarily not in any danger from a health care perspective.

Ms. Heather Vandertas: Yes. I would presume that every level of care—

Mr. Bill Mauro: It’s prioritized.

Ms. Heather Vandertas: —would work in priority to give the best service to the patient regardless.

Mr. Bill Mauro: Thank you.

The Chair (Mr. Norm Miller): Ms. Jaczek?

Ms. Helena Jaczek: Thank you very much, Ms. Vandertas, for your approach today. I really enjoyed hearing from you your focus on patient safety and patient care. You’ve obviously developed a business model that has worked for you through the years, notwithstanding, obviously, what we all acknowledge here as having been some major problems with a previous regime at Ornge.

I’d like to focus on the situation now. You do provide advanced patient care. Do you have difficulty in terms of retaining or recruiting advanced-care paramedics to staff up your fleet?

Ms. Heather Vandertas: I personally do not. I think that, as I said, hopefully we have a great reputation. Our

level of integrity and the service levels that we really strive to provide, working alongside Ornge as ably as possible to do things to the same level or exceed that, bring a lot of advanced-care paramedics into our organization.

They talk to each other. They determine whether our aircraft are clean, operational and safe. Our crew—again, do we follow proper procedures? Is there safety in our patient care? Because at the end of the day, those medics are responsible for that patient, and if we as an organization are not going to provide the tools and everything necessary for them—we're going to pay them, we're going to ensure that they have all their training and everything is met.

So I personally do not seem to have a problem recruiting advanced- or critical-care medics, even though we don't currently do the critical-care aspect because that is the dedicated Ornge part; there are critical-care medics that do work as advanced-care on my service.

Ms. Helena Jaczek: Thank you. Now, you talked a little bit about dispatch and changes and so on. We know, obviously having the Auditor General's report, that this is an area that the then Auditor General suggested that there be a focus on. There are changes, and as we've heard from Ornge themselves, they're looking to improvements.

Would you say that you are satisfied in terms of your relationship with the dispatch centre? Is it a good and seamless system that we have at the moment? And if not, what areas can you see for improvement?

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Ms. Heather Vandertas: Well, I personally believe that everyone within our organization doesn't have anything but good things to say about the current dispatch, the people answering the phones. I think sometimes there are long wait times, as I do believe that some of the staffing was downsized through some of this transition.

I do believe that—I had heard, I can't completely speak to that—formerly, prior to Ornge, when it was the Ministry of Health and then for a period of time with Ornge, pilots were hired to operate and work the dispatch side because they would understand weather, they would understand time frames, they would understand that kind of thing, and they could speak pilot to pilot, if you will, with that side of the organization. Then, medics were hired who had an understanding of the paramedical aspect, and they would answer and be the call-takers for the medical concerns and be talking directly with the medics who are onboard our aircraft, as well.

I think there were some amalgamations. I heard levels of frustration in the call-takers' voices; sometimes they were a bit stressed, as they were short-staffed, perhaps, to perform their job. It can be slow sometimes and everything can be dispatched out, and then something can occur and the phones are ringing off the hook. We have guys in the field trying to call in; maybe they're not able to answer the phone as quickly because they're on other calls, that type of thing. But I've trained all of our staff to

have patience and grace, to understand what goes on behind those desks—screens coming in, ambulance calls, patients, cancelling, hospital beds not available when calls are lined up.

As I said, it's very fluid and transitional. They need to be multi-tasking and flexible, but they do need to be trained and there needs to be enough of them to fully be able to do the job that they're required to do. Again, in the training that we do, be direct, be concise, don't fool around on the phone, but be personable; they're people on the other side, they're not a bunch of people telephone soliciting. They're actually there doing a very critical, very important job. From my experience and that of our organization, they do it well. They just need more tools.

The Chair (Mr. Norm Miller): You have two minutes.

Ms. Helena Jaczek: Okay, thank you.

Perhaps maybe we'll just switch a little bit in terms of your availability. When the call comes in, what percentage of time are you able to actually dispatch your own aircraft?

Ms. Heather Vandertas: You mean what time frame, how long from the call?

Ms. Helena Jaczek: Yes, and are there times when you are absolutely not able to, or does it work pretty much—

Ms. Heather Vandertas: I would say the only time you're really not able to perform a level of service—because we give our availability a few times throughout the day—perhaps if we were finishing up some maintenance on an aircraft. For example, if we weren't going to be available till 9 a.m. because we're finishing up from the previous evening, coming back from a flight and something needed to be performed on the aircraft or that type of thing. But in our availability, we are ready and prepared to take the flight, take the call and do it.

Ms. Helena Jaczek: So basically, there's good communication but from both sides, in essence?

Ms. Heather Vandertas: Correct, yes.

Ms. Helena Jaczek: Just one last question about oversight. In terms of the ministry coming in, auditing, inspections and so on, what have you seen, say, over the last couple of years?

Ms. Heather Vandertas: The Ministry of Health itself, the certification and investigation that actually gives us our approval and does the audit in which we are checked and balanced as to providing everything, they come regularly to do that. When certain things started to go awry, as you've heard in previous testimony, myself, like others, talked to the auditors, inquiring if there was anything they could do.

I was invited to participate in a scenario a few years back when things were going on just to ensure that the audit tools the ministry was using at the time—there were representatives from Ornge, there were some business people from Toronto and myself. We met collectively with them at that time to create an audit tool that they would use. I think a lot of those things were originally based from the land ambulance model, and some of them

are not applicable to an aircraft. They wanted to ensure that things were done well and that things were taken out that didn't pertain, that type of thing, and they got our input. From that perspective, the tools that are used, I believe, are well written, well done and will capture anything that isn't meeting the criteria.

However, that kind of seems to be where their role and responsibility stops: coming in, auditing us, ensuring our licence is continual. There isn't really any other interaction with them, apart from bringing on a new aircraft, setting up a new base. They will come at that point, re-evaluate your program, re-evaluate where you're at, look at your aircraft. But that only happens at those points.

Ms. Helena Jaczek: And does Ornge—

The Chair (Mr. Norm Miller): I'm sorry; we're out of time. So we'll move to the opposition. Mr. Klees.

Mr. Frank Klees: Ms. Vandertas, thank you for being here. We appreciate your information.

I'll just pick up where Ms. Jaczek left off and let you finish that thought. Just to clarify, the Ministry of Health provides your certification?

Ms. Heather Vandertas: Correct.

Mr. Frank Klees: And that happens at the point of the initial approval of your contract. Is that correct?

Ms. Heather Vandertas: Yes.

Mr. Frank Klees: Or if you bring on a new aircraft, the Ministry of Health provides an audit and provides their certification to you. Is that right?

Ms. Heather Vandertas: Yes.

Mr. Frank Klees: In addition to that, how many other audits would the Ministry of Health do of your base, of your aircraft, over the course of a year?

Ms. Heather Vandertas: They do not.

Mr. Frank Klees: They do not?

Ms. Heather Vandertas: No.

Mr. Frank Klees: So the only time that you really have interaction with the Ministry of Health from an audit or an inspection standpoint is at the time when you first make your application for the contract?

Ms. Heather Vandertas: And then every three years.

Mr. Frank Klees: And then every three years after that?

Ms. Heather Vandertas: Yes.

Mr. Frank Klees: I wanted to clarify that because my question to you is whether, in your opinion, it may be prudent for the Ministry of Health to do those audits perhaps more often, perhaps on an unannounced basis, because how you start is not necessarily how you end up.

Ms. Heather Vandertas: Correct.

Mr. Frank Klees: So, particularly with regard to one of the witnesses who was here, who actually admitted that his organization was having some financial challenges—in a circumstance like that where, not because of want but because of circumstances, they may not be able to maintain those standards, they may have lost employees, and as a result, the organization that was audited by the Ministry of Health two years ago may not be the same organization—

Ms. Heather Vandertas: Yes.

Mr. Frank Klees: I'd like your comments and your advice on that.

Ms. Heather Vandertas: Well, I think that, as any organization, if you are working to provide the very best care and service that you can offer, I don't feel that you should be threatened by people coming in. We've always invited people to come, to be available.

I personally learn a lot from the audits, that whether it is with Transport Canada or the Ministry of Health, you actually grow and you learn, and you can figure out where in the day-to-day perhaps things might be missed.

You're speaking to a much larger problem, but even on the smaller aspects, you know, familiarity can—you can get comfortable. You can possibly neglect some things that you see on a daily basis and aren't aware of. So I think it would absolutely be relevant and prudent to be audited on a much more regular basis, to keep us all compliant, to keep us all accountable and to prove yet again that we are doing the job that we said we would do, that we aren't simply trying to get a contract for the sake of it, but that we want to serve, we want to do a great job and we welcome scrutiny. So I would agree.

Mr. Frank Klees: So we've established that the Ministry of Health does no audits other than once every three years.

Ms. Heather Vandertas: Yes.

Mr. Frank Klees: I think we've also established, and I'd like your comments on this, that the RFP makes it very clear that Ornge intends to audit a minimum of twice a year. That's on page 62 of this RFP.

Ms. Heather Vandertas: Yes.

Mr. Frank Klees: Can I ask you, since your initial approval of the contract, how often has Ornge visited your facilities, your bases, to conduct those audits?

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Ms. Heather Vandertas: Simply at the time of an initial base set-up, an initial aircraft set-up, an initial additional service. That would be all.

Mr. Frank Klees: So Ornge also has not conducted any additional audits other than at the time of the initial installation. Is that correct?

Ms. Heather Vandertas: Correct. And that was where I was answering this gentleman's question on the fact that it was disappointing, not that Ornge was setting themselves up to be an organization of business, but the fact that the statements made, the vision statements that were released by Dr. Mazza and all of those things, seemed to imply that we would all now be brought into a higher level of care and governance and that type of thing. As I said, if you're open to that, then that can only make you a better service. The fact that that wasn't done was very disappointing to me, actually.

Mr. Frank Klees: And I can tell you that it's equally as disappointing to us that that hasn't happened, because when we received the Auditor General's report, his five recommendations were all focused on the need for additional oversight and additional accountability and regular reporting. When we hear now from people like yourselves on the front lines that that is still not

happening, it gives us cause for concern, because while we hear a lot about a change of personnel and a new executive and a new beginning, at the very core of what should be happening we're still not seeing the necessary change. I'd like to just ask about some of the implications of that.

In your RFP there are some very specific requirements in terms of how your equipment should be outfitted. Maybe you can help me with the terminology; I should know it by now. It is the collision avoidance—

Ms. Heather Vandertas: The TCAS and TAWS.

Mr. Frank Klees: That's right. I believe there's also a requirement now for an autopilot. Is that correct?

Ms. Heather Vandertas: Yes, there has always been a requirement that you have a functioning autopilot, that it works and it has gone through your radiation system so that it's in there. For several years the TCAS and TAWS have been a requirement that the ministry put in. It's a Transport Canada responsibility as well with some of the changing regulatory things that have come down. So yes, those have been implemented. We were given a time frame in which to put them in and to have all of that audited and checked to ensure that it was done.

Mr. Frank Klees: When you put your price into the RFP process, you and the others would have considered that as an ongoing cost to you or as a capital cost to you and your bids would have been submitted accordingly.

Ms. Heather Vandertas: Yes.

Mr. Frank Klees: You're in compliance with all of those requirements?

Ms. Heather Vandertas: Yes.

Mr. Frank Klees: Has Ornge done any audits to ensure that SA carriers are in full compliance with those requirements since the issuing of the RFP, to your knowledge?

Ms. Heather Vandertas: This one?

Mr. Frank Klees: Yes.

Ms. Heather Vandertas: No.

Mr. Frank Klees: They have not. It's a small world, the aviation business, and you see each other's aircraft from time to time, and I'm assuming there's some movement of employees and pilots and so on. I'm not asking you to blow the whistle on any of your competitors, but can you tell me, to the best of your knowledge, would there be any SA carriers who are not in full compliance with that requirement?

Ms. Heather Vandertas: As hearsay, I would say yes. As pilot movements, employee movements and discussions, as talked about around the lunch table, I would say that is a fair statement to make.

Mr. Frank Klees: That's a pretty serious set of circumstances.

Ms. Heather Vandertas: Right, considering that it's four-plus years ago that that mandatory requirement was put in place and has remained in every RFP since. So even if it didn't get done in the previous two leaderships, it should certainly have been in place by this one.

Mr. Frank Klees: There's no question that the Ministry of Health and Ornge are monitoring these hearings,

and I'm confident that Dr. McCallum will take note of this, because certainly we're not going to rest until Ornge and the Ministry of Health take this issue of oversight and accountability and doing the appropriate inspections—until they really fully understand that this is not an option. This is fundamental, not to economics, but to patient care and to the safety of the front-line people who are flying those aircraft and the paramedics who are providing the service.

Ms. Heather Vandertas: Yes, that's correct.

Mr. Frank Klees: I asked a question this morning, in the House, of the minister. My question had to do with an incident that took place in the early hours of August 29, where, apparently, Thunder Air was dispatched to a scene. When they arrived, an Air Bravo aircraft was already there with two paramedics from Kenora. They were attending to a patient. They were not able to fly that patient to Thunder Bay—

Ms. Heather Vandertas: Thunder or Air Bravo?

Mr. Frank Klees: It was Air Bravo who had initially been dispatched there. They were on-scene. Thunder Air was subsequently dispatched to the same scene. The reason for that, allegedly, is that the satellite telephone was not functional, and because of the critical condition of the patient, they were not able—that is, Air Bravo—to transport that patient to the hospital in Thunder Bay.

When you consider the time delay of getting another aircraft to that location because of that kind of functional failure, one might be able to draw a conclusion that the outcome for the patient may well have had something to do with how that whole issue was handled. In this particular case, unfortunately, the patient died.

Here's my point and the reason I put the question to the minister: Air Bravo was here and, under testimony, admitted that his organization—this is Mr. Horwath who was testifying—is having serious financial challenges. When I asked him the question of if a credit check was done on his company at the time of application, he said no. When I asked him, if a credit check was done today, would his organization qualify or would Ornge actually approve him as a carrier, his response was that he wasn't sure; he didn't know.

Here's my point: Whether it's true that the reason that that satellite phone wasn't functioning was because the bill wasn't paid, the issue is, is it not a responsibility of Ornge and of the Ministry of Health to ensure that the carriers, who have the responsibility to have their equipment in functioning order, are in fact compliant with all of the issues, all of the contractual obligations—that those companies are fiscally strong enough to actually deliver the service? Would that not be a fundamental first step for both Ornge and the ministry to take?

Ms. Heather Vandertas: Absolutely.

Mr. Frank Klees: Why is that not happening?

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Ms. Heather Vandertas: You would have to ask the oversight, the leadership, why. It doesn't make a lot of sense. We used to have to provide that. I'm not sure why

we don't anymore. I can't speak to why they don't because I don't know.

Mr. Frank Klees: Two RFPs ago, there was a schedule A?

Ms. Heather Vandertas: Yes.

Mr. Frank Klees: That required financial statements?

Ms. Heather Vandertas: Yes.

Mr. Frank Klees: That required proof of fiscal stability?

Ms. Heather Vandertas: Yes.

Mr. Frank Klees: For the last two RFPs, that entire schedule hasn't been included in the RFP; is that correct?

Ms. Heather Vandertas: Yes.

Mr. Frank Klees: When you saw that that requirement was no longer part of the RFP process, did it bring any questions to your mind?

Ms. Heather Vandertas: I guess the question it brought to my mind was if I had missed something in reading it, because it's a big document that they put out and perhaps it was in another area. In part of your management plan or in part of your references, there's a reference section that you can put, so we just opted to just at least put our bank and bank manager information in there for something. I'm not clear on how these proposals are written, how they're formatted, who does that. I didn't think a lot of it at the time other than perhaps I had missed an area of putting that in. I did not see it in there.

Mr. Frank Klees: I think it's a major oversight and a huge mistake on the part of Ornge.

Ms. Heather Vandertas: Yes.

Mr. Frank Klees: And I know that Mr. Mauro, who indicated that he has done a lot of work in the bidding and procurement area, would probably agree that there would be no circumstances that any of us would know of where that fundamental piece of information would be missing.

Ms. Heather Vandertas: Well, I think it's really important that the type of work that we do—that we very much should be vetted before we are given the opportunity to serve, for the very reasons that you just spoke of.

Mr. Frank Klees: You made reference earlier in your comments that all should be held to the same standards; that is, all of the people who are bidding into these RFPs. Do you believe that that's happening today?

Ms. Heather Vandertas: Based on the comments that you just made, I would say no.

Mr. Frank Klees: Okay. I'd like to just deal very briefly with this issue because it has become a philosophical debate, I think, to some degree, as to whether Ornge should be in the aviation business or not.

Ms. Heather Vandertas: Yes.

Mr. Frank Klees: The question, of course—the natural question that people would have—is, well, you're making a profit. Whatever you're charging, you're making a profit. Ornge is not-for-profit. So, obviously, they don't have to build that cushion into it. What we've seen, though, from evidence, is that not only is Ornge not-for-profit, they're a huge money-loser and a huge

waster of money. Now, with all credit to the current executive, I won't paint them with that brush.

Ms. Heather Vandertas: Right.

Mr. Frank Klees: But just because an organization is not-for-profit doesn't mean that it's efficient, and doesn't mean that it can't compete, and doesn't mean that a for-profit company can't deliver a product for less money than that not-for-profit organization.

Ms. Heather Vandertas: Yes.

Mr. Frank Klees: I'd like to give you an opportunity to tell us why you feel that Ornge may be able to be more efficient at what they do, and if Ornge was asked to bid into the same RFP as you and your private sector proponents, how competitive would they be if they didn't have the cross-subsidization of the additional funds that they get indirectly from the Ministry of Health?

The Chair (Mr. Norm Miller): And you have about a minute and a half for this response.

Mr. Frank Klees: She'll need more time than that, Chair.

Ms. Heather Vandertas: Well, all playing fields being level, I would say that the structure and the largeness of the organization they have created right from the ground up to every level, the layers of management, the layers of people who were brought in to do particular jobs—it's a little difficult to speak to the full fundamental program of Ornge. If we remove the aspect of amalgamating and taking over and running the medical side, the medical governance, that type of thing, and they simply had to start at ground zero, go to the bank, get the loans, get the aircraft, set the stuff up, go through a credit check and have everything done, who actually would be funding that, who would actually be doing that? And how quickly and credibly, perhaps with no experience, would they be able to grow to the level they have as quickly as they have without—I myself have, perhaps inappropriately, commented sometimes that if I had your budget, I could do those things too.

I don't know that they would be able to compete freely with having to get the investments, sit before the banks, give credit, get audited and do those things without, as you said, discretionary funds at their disposal. I presume they put a budget together. I'm not sure what that was based on or how that came to be originally. As we've heard in previous testimony, we had to submit all of our information to them at the very beginning for them to review. Perhaps they were able to establish out of that what the cost and role and function of every department would be and what it would look like from the leasing of aircraft.

I believe they've done things on a much grander level and scope than any of us ever could have or would have, to bring that to the forefront. It was Dr. Mazza's dream and idea to have the most amazing airline in the world, and I think he spent money as if it was already profitable and was at that point. But I don't know that I would say categorically that they would be able to compete fairly with us if all things were equal.

Mr. Frank Klees: Thank you.

The Chair (Mr. Norm Miller): Thank you very much for coming before the committee today.

Our next witness is Derek Wharrie, EMS, from Wabusk Air. Mr. Paul Cox, the president, was invited, but he's unable to be here because of an emergency apparently.

Mr. Frank Klees: Can I ask for a five-minute recess?

The Chair (Mr. Norm Miller): You can ask for a five-minute recess.

Mr. Frank Klees: I'd like to ask for a five-minute recess.

The Chair (Mr. Norm Miller): A five-minute recess, then. We'll be back in five minutes.

The committee recessed from 1348 to 1351.

WABUSK AIR

The Chair (Mr. Norm Miller): Okay, we'll get going again. We have Derek Wharrie from Wabusk Air. Just to confirm, you've received the letter for a witness coming before the committee?

Mr. Derek Wharrie: Yes, I have.

The Chair (Mr. Norm Miller): Very well. Would you like—

The Clerk of the Committee (Mr. William Short): Did you want to swear an oath or did you want to be affirmed? The Bible is in front of you there. Thank you.

Mr. Wharrie, do you solemnly swear that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. Derek Wharrie: I do.

The Clerk of the Committee (Mr. William Short): Thank you.

The Chair (Mr. Norm Miller): You have up to 10 minutes for an opening statement and then we'll go to questions.

Mr. Derek Wharrie: Good afternoon. My name is Derek Wharrie. I'm Wabusk Air's EMS manager. Wabusk Air is a standing agreement carrier and has been providing outstanding PCP service for the province and Ornge since 2007. Paul Cox, the president of Wabusk Air, has been called out of the country on business and apologizes for his inability to be present.

That's all I have right now.

The Chair (Mr. Norm Miller): Okay, very well. We'll go to the government. Mr. Mauro.

Mr. Bill Mauro: Thank you, Mr. Chair. Just confirming the first thing that you said—and I'm looking for the sheet that's going to tell me your name. I apologize.

Mr. Derek Wharrie: Derek Wharrie.

Mr. Bill Mauro: Derek, thank you. There it is. Derek Wharrie. Thank you, Derek. Did you say since 2007?

Mr. Derek Wharrie: Wabusk Air? Yes.

Mr. Bill Mauro: Okay. You've been with them since the beginning?

Mr. Derek Wharrie: No, since 2008.

Mr. Bill Mauro: Where's that sheet with the names? So Mr. Cox has been the president since the inception of the organization?

Mr. Derek Wharrie: Yes.

Mr. Bill Mauro: So clearly, Wabusk Air has a history only under the regime of Ornge and no experience as an air ambulance carrier prior to?

Mr. Derek Wharrie: Correct.

Mr. Bill Mauro: Mr. Cox was not in the air ambulance business under some other incorporation or name, or this is 2007 he started and—

Mr. Derek Wharrie: Correct.

Mr. Bill Mauro: Where do you operate out of?

Mr. Derek Wharrie: Moosonee, Ontario.

Mr. Bill Mauro: Moosonee, okay. How many aircraft?

Mr. Derek Wharrie: Presently we have one air ambulance aircraft. We're just in the process of getting a couple of others.

Mr. Bill Mauro: So one fixed-wing?

Mr. Derek Wharrie: One fixed-wing, yes; one King Air.

Mr. Bill Mauro: Okay. Now, the previous presenter, Ms. Vandertas, was responding to a couple of questions from Mr. Klees. Of course, our rotation with Ms. Vandertas had been completed. There are just a couple of pieces that I want to use you as my conduit—I apologize—to get on the record. Not that there's any contradiction, but people following the proceedings might be left with an impression that we don't think was an accurate impression, and I don't know what your experience has been. You've been there since 2008. Mr. Cox's company started in 2007. Have you had, since 2009 or 2010, any visits from the Ministry of Health?

Mr. Derek Wharrie: Yes.

Mr. Bill Mauro: How many?

Mr. Derek Wharrie: We just recently had one this summer and then there was one in, I believe, 2010.

Mr. Bill Mauro: Announced or unannounced?

Mr. Derek Wharrie: We had two announced and one unannounced.

Mr. Bill Mauro: Okay. Since 2010—so in three or four years—you've had three visits from the Ministry of Health.

Mr. Derek Wharrie: Yes.

Mr. Bill Mauro: And one of those certainly was an unannounced visit.

Mr. Derek Wharrie: Correct.

Mr. Bill Mauro: Okay. The company this morning, Thunder Airlines, based out of Thunder Bay, as well indicated to us that they had at least one unannounced visit from the Ministry of Health.

You started in 2008, so you were there for all three of these visits. Can you speak a little bit for us as to what it is that the ministry does when they visit your operation?

Mr. Derek Wharrie: I personally was only present for two of them; the unannounced visit I was not present for.

Mr. Bill Mauro: Okay.

Mr. Derek Wharrie: But for the two that I did, where the annual or the regular—every three years they come in and audit us to renew our air ambulance licence. They

come in and they take a look at our aircraft and the equipment we have on to make sure it abides by the ministry's minimum equipment list. They go through our paperwork, our HR documentation, checking accreditation, that sort of thing, of all of our medics. They go through our supplies, our ACRs, which are the patient care records. They do various audits. They check our policies and procedures manual. They do their own ACR audits as well to make sure that they're up to par with ministry standards.

Mr. Bill Mauro: So it's a pretty exhaustive—

Mr. Derek Wharrie: Oh, yes. There are about four or so individuals who come up at a time and it's spread over two days, at least.

Mr. Bill Mauro: So four people show up at your operation. They're there for as long as two days on an unannounced visit.

Mr. Derek Wharrie: On the unannounced visit, from my understanding, it was only a few hours.

Mr. Bill Mauro: Okay.

Mr. Derek Wharrie: Those were the announced visits, for two days.

Mr. Bill Mauro: And you said you weren't there for the unannounced.

Mr. Derek Wharrie: No.

Mr. Bill Mauro: Do you have any sense of what they do differently? If one is two days long and one is three hours—

Mr. Derek Wharrie: The unannounced one, from what I understood, was just a quick check, just making sure our paramedics are carrying the proper credentials, like our OASIS cards; checking to see that our ambulance licence certificate is present; and just a quick overview of our base, making sure that our hangar is up to par with the requirements of the ministry etc. I believe they're only there for maybe an hour or so.

Mr. Bill Mauro: Okay. Are you involved in the actual RFP process on behalf of the company at all?

Mr. Derek Wharrie: Part of it, yes, on the EMS side.

Mr. Bill Mauro: Can you tell me a bit about what—

Mr. Derek Wharrie: I do participate in the drawing up of the RFP response. So anything to do with the paramedics, the EMS equipment, that sort of thing, comes under my domain.

Mr. Bill Mauro: So you would be providing assistance to your president, Mr. Cox, in terms of his ability to fill out the RFP, to submit a bid to get work through Ornge.

Mr. Derek Wharrie: Yes.

Mr. Bill Mauro: The reason I'm asking you that is that Mr. Klees asked a question to the previous presenter, and I think it's a fair question. I'm not sure it's something you can help us with, because it was about the most recent RFP that was put out, or the last two—I don't recall if it was the last two—about the financial data that was no longer contained within the RFP that would speak to the ability of a proponent to be able to carry on—as an ongoing concern—as a business operation, and make

sure they could fulfill the obligations they were bidding for.

I don't know if you can speak to this. The chances are, you can't. Yet from the Auditor General's recommendations, after the audit of Ornge air ambulance and related services—he provided us with five recommendations. He's the Auditor General. He's an independent officer of the Legislature. He does not work for the government; he works for the Legislature. His recommendations don't speak to that.

I'm just curious, as someone who—and it's a bit unfair—if you can't tell me, you can't tell me, because you're on the EMS side, more on the services side. But I'm just curious if you have any sense of why—and given the recent history of your company, perhaps you don't go back far enough, but do you have any thoughts on that?

1400

Mr. Derek Wharrie: I am familiar with the schedule A that you're referring to. I know that Paul and I—Mr. Cox—had discussed it, because it had been there previously, and I'd seen it in the response and so on. We had discussed how it's not there anymore, and we chalked it up to maybe because of our experience with Ornge. We're not sure. We weren't sure.

Mr. Bill Mauro: It's kind of where I was going—if that's a possibility. I have no way of knowing if that's the case or not or how relevant it is, but I do think there is some relevance to the fact that an auditor, the Auditor General, working independently for the Legislature, didn't speak to that piece in his recommendations. It used to be there and it's not there anymore.

Anyway, we'll see. I'm sure Mr. Klees may have a question or two about that as well as we go forward, but I think there's some relevance to that, and I'm interested if there may be some explanation as to why that is no longer contained.

Mr. Derek Wharrie: There was never an explanation given to us.

Mr. Bill Mauro: No, understood. I'm just hoping that at some point, maybe we as a committee will be able to understand why they felt that was no longer necessary.

Do you receive, in Moosonee—and that's your only base?

Mr. Derek Wharrie: At this time.

Mr. Bill Mauro: Do you receive a guaranteed number of hours of work, or a minimum revenue stream?

Mr. Derek Wharrie: Yes.

Mr. Bill Mauro: Okay. When did that begin for your company? You started in 2008?

Mr. Derek Wharrie: Yes. That happened in the last contract.

Mr. Bill Mauro: The last contract came out in—

Mr. Derek Wharrie: It's kind of confusing, because there were a lot of delays and whatnot. I would say maybe 2010, around there.

Mr. Bill Mauro: So it was a new piece in 2010, where they began to supply carriers with a guaranteed base income. To me, that makes complete sense and

would be entirely necessary to get people to be interested in being part of this process. Would you have been able to participate in this tender without this guarantee?

Mr. Derek Wharrie: The financial aspect of it isn't really under my realm.

Mr. Bill Mauro: Well, maybe if I go at it in a little bit of a different way. Does Wabusk Air—in its business model, what percentage of your work is air ambulance?

Mr. Derek Wharrie: I can't give you a definitive answer on that. I know that we have one aircraft that is working pretty much every day for Ornge. I'd say that one aircraft is running probably 80% to 90% for Ornge, and then our other aircraft are completely other revenue streams.

Mr. Bill Mauro: So you have more than one aircraft.

Mr. Derek Wharrie: Absolutely.

Mr. Bill Mauro: I see. And one is dedicated to Ornge.

Mr. Derek Wharrie: One is dedicated to Ornge. We're looking at bringing on a second.

Mr. Bill Mauro: So you're a pretty diverse company, then.

Mr. Derek Wharrie: Yes.

Mr. Bill Mauro: Okay. That's kind of what I'm going at. So with or without the guaranteed income, it's quite possible that you, as a company, would have been able to bid on this work, and it's perhaps less important to your company than it might be to others.

Mr. Derek Wharrie: I suppose. Again, that's not really under my—

Mr. Bill Mauro: Fair enough.

Tell me a bit about the geography you serve.

Mr. Derek Wharrie: Generally speaking, we cover eastern Ontario, the northern coast of James Bay. From time to time, we'll go as far west as Hamilton, London. We've been across the province, but our general area that we cover is probably from Sudbury down to Kingston, Toronto, and north up to Peawanuck.

Mr. Bill Mauro: It's interesting that based in Moosonee, you would provide flights as far away as Hamilton.

Mr. Derek Wharrie: Yes.

Mr. Bill Mauro: So that would obviously be a situation where a patient from Moosonee needed to go to Hamilton?

Mr. Derek Wharrie: Generally, in that aspect, it's something—we've gone from Moosonee to, let's say, Kingston. There is an agreement with the two hospitals there, so most of the Moosonee patients, when they need to go south, go to Kingston. Then once we're down south, through—

Mr. Bill Mauro: Just to make the circle, you might do some work in—

Mr. Derek Wharrie: That's right. You know, go to Toronto, pick up, go to Hamilton or London or Pembroke, Ottawa area, something like that.

Mr. Bill Mauro: Gotcha. While you're there, why fly empty?

Mr. Derek Wharrie: Exactly.

Mr. Bill Mauro: Maybe there's a way to utilize you and be more efficient with your—

Mr. Derek Wharrie: That's right. They try to keep us full as much as possible.

Mr. Bill Mauro: That makes complete sense.

Mr. Derek Wharrie: Yes.

Mr. Bill Mauro: Because people listening to this might wonder, "Well, what's this guy from Moosonee doing in Hamilton picking up somebody?" So it's important that we want to make that part of the record.

From a care perspective—and you're the paramedic, so this is more in your area of expertise—what can you tell us? What's your opinion on how Ornge is doing in terms of providing a good level of care for the people that we are responsible for serving?

Mr. Derek Wharrie: Well, Ornge's medics up to the level of critical care are second to none, really. I think right now they're struggling with staffing and having enough people at that level of care, so education and whatnot I think is struggling a little bit. The underlying reasons for that, whether it be budgeting or resources or something, I can't comment on. I don't know the reasons for that.

Mr. Bill Mauro: Is your operation that I hear—you said very little at the beginning—but are you advanced care?

Mr. Derek Wharrie: We're primary care and we've just actually, in this contract, been awarded the ability to go advanced care.

Mr. Bill Mauro: Okay, because it's important for me to know, and I asked this question of the previous presenter, as well, because this morning's presenter—I took away from that presentation that people would be serviced who might need an advanced-care paramedic and they weren't getting it. But it doesn't sound like that's the case. It sounds like individual providers, through the SA agreements, have bid as to what level of service they would provide, and when you got a call for service, they would tell you if they needed primary care only or advanced care. Have I got that right?

Mr. Derek Wharrie: Sort of. How it goes is that the OCC knows each carrier's level of care, so they know which level of care is on every aircraft, whether it be Ornge, Wabusk, Thunder, any of the SAs. So we would only be dispatched to the level of care on that aircraft.

Mr. Bill Mauro: Correct. Exactly. But that's making my point, I think. If the level of care required is advanced care, they're going to dispense or dispatch an advanced-care aircraft.

Mr. Derek Wharrie: Yes, if available.

Mr. Bill Mauro: If available.

Mr. Derek Wharrie: If not available, then they'll look at whether or not they can get a nurse or a doctor to go, depending on the triage of that patient.

Mr. Bill Mauro: Sure. Absolutely. Okay.

We'll keep a bit of time in reserve, Mr. Chair.

The Chair (Mr. Norm Miller): Very well. We'll move on to the opposition. Mr. Klees.

Mr. Frank Klees: I just want to follow up on the clarification and clarify the clarification with regard to these ministry inspections. I believe you said the last ministry inspection you had was this year. Can you tell me the date?

Mr. Derek Wharrie: It was this summer, I believe in July.

Mr. Frank Klees: And that would have been the inspection that the ministry does following the approval of a contract, which was your most recent one, which closed March 13; in other words, it was effective March 13, so that Ministry of Health inspection would have been part of that inspection that they do once a contract has been approved.

Mr. Derek Wharrie: I don't believe the two are joined.

Mr. Frank Klees: When was the previous one?

Mr. Derek Wharrie: Three years prior, in 2010. Every three years: Once a service applies for an ambulance licence, every three years it's automatic there's a contract or not.

Mr. Frank Klees: That's my point. The last contract that you got, the RFP was dated September 13, 2011.

Mr. Derek Wharrie: Right.

Mr. Frank Klees: The effective date of that was January 2012.

Mr. Derek Wharrie: Right.

Mr. Frank Klees: Okay?

Mr. Derek Wharrie: Okay.

Mr. Frank Klees: The last RFP was dated December 4, 2012, and was effective March 13.

Mr. Derek Wharrie: Okay.

Mr. Frank Klees: For clarification of the clarification, the Ministry of Health does an inspection once every three years.

Mr. Derek Wharrie: Correct.

Mr. Frank Klees: You have not had an inspection more than that.

Mr. Derek Wharrie: Correct—well, other than—

Mr. Frank Klees: Other than the one hour—

Mr. Derek Wharrie: That's right.

Mr. Frank Klees: —when they came along and asked for your—well, no, he said three hours initially, and then he clarified it to say it was an hour.

Mr. Bill Mauro: He wasn't there. He wasn't sure.

Mr. Frank Klees: The point was that I think we've established the fact that once every three years is not nearly enough for the Ministry of Health to do its due diligence and to do what should be done to ensure that these carriers are in compliance.

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I asked the other witnesses about their compliance with one of the contractual obligations of the RFP, and that is with regard to the collision avoidance system that was required to be in your aircraft since 2008. Did you comply with that requirement? Does your King Air have the collision avoidance system as prescribed in the RFP?

Mr. Derek Wharrie: I can't comment 100% on that, as I just deal with the EMS side of things, but as far as I understand, I've been told that our aircraft are up to par.

Mr. Frank Klees: The information that I have is that your aircraft has a PCAS system, which is totally different, and here's the difference: The TAWS system has a cost of about \$70,000 per aircraft. The PCAS system, as I understand it, can be bought for \$1,000.

Mr. Derek Wharrie: Okay.

Mr. Frank Klees: You say that's okay?

Mr. Derek Wharrie: Okay, as in I understand what you're saying. I don't know if that's the case. As I said, I don't have anything to do with the aircraft physically. I know that one of our aircraft is going down for a refit. The details of that, I don't know. That would be something that Paul would have to comment on.

Mr. Frank Klees: I also understand that the PCAS does not work in the north.

Mr. Derek Wharrie: I can't comment on that.

Mr. Frank Klees: It certainly wouldn't be very helpful—

Mr. Derek Wharrie: I'm sorry.

Mr. Frank Klees: It's not helpful that the owner of this business is not here. This is not a regular occasion for this committee. I don't know what his business is down in the United States, but this is pretty important business for us here.

Mr. Derek Wharrie: Absolutely.

Mr. Frank Klees: I just want to send a message through you that I am most disappointed, because we're dealing with very important issues here. There are only five of you who are providing this essential service to the province of Ontario, and I would have thought that this would be a priority for him.

I have no further questions, because I don't believe, quite frankly, that this witness can answer the questions that I have. I would ask that we issue another request, with the co-operation of the committee, to the owner of this operation to appear before us.

The Chair (Mr. Norm Miller): Very well. We'll move on to the NDP. Who would like to go? Ms. Gélinas.

M^{me} France Gélinas: Welcome to Queen's Park, and thank you for coming all the way down. I know that it's not easy to go from—I take it you're based out of Moosonee?

Mr. Derek Wharrie: Yes.

M^{me} France Gélinas: Moosonee to Queen's Park—there's no direct flight, no subway, no GO, nothing. I know the work involved to come down here, and I thank you for your efforts.

I take it that you are on the front line of providing emergency medical services, and I would like to gain from your expertise on a number of issues.

The first one I would like to talk to you about has to do with the past. You have been in the north for a number of years, and I'd like your impression as to how you would rate our air ambulance service right now. Are we doing a good job? Are we not meeting your expectations or the expectations of the patients? How would you rate us?

Mr. Derek Wharrie: From an aspect of Wabusk Air, we've gotten busier over the years. Whenever the need for the higher level of care, the aircraft come across the province to meet the needs of the patient. From the aspect that we can tell, the patients are getting met and are being transported as required. Under what timelines, I can't comment on that. There are always rumours of aircraft not being fully staffed and so on. Again, these are things that I don't have proof of. But for the most part I would say that, from what I've heard and what our experience is, the patients do get the service they need. Sometimes it's just a question of timing, but there's a lot of things that come into play, whether it be weather, resources etc.

M^{me} France Gélinas: I live in the north; so do you. Do you have confidence that if you or one of your loved ones needed ambulance services, we would deliver?

Mr. Derek Wharrie: Yes, I'd say so.

M^{me} France Gélinas: You're confident?

Mr. Derek Wharrie: Yes.

M^{me} France Gélinas: Me too.

The other questions I wanted to ask you have to do with the type of patients you are transporting and if you have seen any trends or changes in the type of calls that you get, the type of patients you're asked to work with. Have there been significant changes, either in the recent past or distant past, or do you see trends for the future?

Mr. Derek Wharrie: I'd say that generally the majority of the patients we receive, as we're primary care primarily, are low acuity, patients returning from different procedures, various appointments from the north, things of that nature. In the last probably few years, we've been getting dispatched more and more higher-acuity calls, up the coast mostly, so a little sicker patients. Whether that's just due to resources etc., I'm not sure. They seem to be utilizing our service more, more effectively and more frequently.

Then, in the future, as I mentioned before, we've been finally approved to provide advanced care as well. We are hoping in the future to provide not only primary-care but also advanced-care service to the north, so that would increase the level of care available to the people of the north.

Mr. Jagmeet Singh: Just one quick point about advanced care: How do you find the accessibility of training? Like, how easy is it to actually get trained up from whatever level—critical care to advanced care?

Mr. Derek Wharrie: It's extremely difficult, actually, unfortunately. There are two parts to becoming an advanced-care flight paramedic. The first part of it, becoming advanced-care land, is very easy. You know, colleges generally anywhere in the province can offer that, or there's a number of colleges. The difficulty comes in bridging to advanced-care flight, and that unfortunately is only through Ornge. We've asked for details on upcoming courses and availability to train some of our staff to be able to provide that advanced care. Unfortunately, to this date, they haven't been able to provide any dates.

Mr. Jagmeet Singh: And just a quick comment: Do you think that allowing or making an accommodation for advanced-care and also critical-care training in colleges might be a solution to providing more ways for people to get trained? Just in your personal opinion.

Mr. Derek Wharrie: I guess, ideally, it would alleviate just having one person provide it, that monopoly. Unfortunately, the business case for that—because it's such a minute number, once the mass amount of people, whether they work for Ornge or an SA carrier, get trained up, there would be very few people in the future, right?

Mr. Jagmeet Singh: I see.

Mr. Derek Wharrie: So it would be a great solution to the problem right now, but going forward I'm not sure that from a business case for the colleges it would make sense.

M^{me} France Gélinas: Okay. Just one more on this one. Right now, the college in North Bay does aviation training. The medical part of the advanced paramedic is given in our college. Would it make it easier if it was available at Northern College or if it was available at Cambrian or—

Mr. Derek Wharrie: That's not the issue. The issue is bridging over to the—

Interjection.

M^{me} France Gélinas: The federation, sure.

Mr. Derek Wharrie: Yes, bridging over to the flight side of things.

M^{me} France Gélinas: But I mean if those colleges that already teach flight, that already have those kinds of courses, not for paramedics, would offer the flight part of the advanced.

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Mr. Derek Wharrie: Aviation, as in pilot training? Is that what you mean?

M^{me} France Gélinas: Yes.

Mr. Derek Wharrie: The two are totally different, so I don't see the connection. The connection there I don't think would be there. You would have to look at the colleges that provide primary care and advanced care, like Fanshawe, Niagara, Durham, that sort of thing, different colleges like that, and whether or not they would be willing to take on the air component. But right now, the air component is only provided by Ornge.

M^{me} France Gélinas: All right. You've talked about some of the services that existed in the past. I don't know if you'll be able to answer this, but I'll ask it anyway. The fact that telemedicine has been rolled out to most of the nursing stations and to most of the fly-in-only First Nations communities: Does that help, in a sense, bring the level of acuity up? Because now, in theory, the follow-up to surgery should be done through our telemedicine system, which means that they don't have to fly anymore. Have we had an effect through this way? Or am I putting two and two together that don't belong?

Mr. Derek Wharrie: In theory, it would. I've seen and I've heard cases where, as a service, we have asked ourselves why we are transporting this patient when

theoretically we know that there's a Telehealth system set up in that community. I can't comment on why we're still doing that transfer, if the diagnostics needed aren't available there or whatnot. I would say that I'd imagine it helps sometimes and other times it still requires transport out. I wouldn't say it's eliminating all transfers for follow-up.

M^{me} France Gélinas: Okay. I'm bringing you back into the past again. You knew of Ornge. Did you know Dr. Mazza?

Mr. Derek Wharrie: Yes.

M^{me} France Gélinas: Did you know that there was something wrong going on at Ornge before it hit the front page of the papers?

Mr. Derek Wharrie: Just through rumours. I didn't personally know Dr. Mazza. Just the rumour mill, really. We saw the kind of money and how quickly it was being spent and the drastic changes in the industry, so obviously that was a little concerning. That sort of thing we saw. I guess that is cause for concern, absolutely.

M^{me} France Gélinas: So when you talked about "through the rumour mill," what were you hearing at the time?

Mr. Derek Wharrie: We were hearing these conceptual ideas of going international, of potentially taking over all advanced care from all SA carriers and that Ornge was eventually, allegedly, even going to push out all primary care. They wanted the whole pie, if you will. These are the rumours we heard.

M^{me} France Gélinas: All right. Enough for the past. We're into the future now.

If you could have your own way, how would you improve the air ambulance services in Ontario?

Mr. Derek Wharrie: Well, I would say that the SA carriers are an essential part of it. When the province needs the transport of patients, we're there to provide it. When we're not flying, we're not getting paid, so we're not sitting around doing nothing and getting paid for that. I'm not saying that the dedicated carriers of Ornge aren't required—by all means. You need a level of care where there's somebody at the drop of a hat. You absolutely need that. Then you need the SA carriers for the overflow of that.

I would say the best way to go forward would be to allow the SA carriers to increase their level of care where needed so that they're able to provide primary and advanced, and to ideally allow the training up of those individuals to be a little more easy.

M^{me} France Gélinas: All right. So your view of a better system is—I don't want to put words in your mouth, but I want to make sure I understood—a system quite similar to what we have now, except that the SA carriers not only do primary care but do advanced. Do you see them doing critical as well?

Mr. Derek Wharrie: Critical has never really been in the scope of an SA carrier; that hasn't been dedicated to the system. You have issues on getting the experience to keep those skills up because they are quite diverse. So I can't really comment on that.

There's been talk and rumours of maybe getting rid of the advanced-care flight portion because the gap between advanced care and critical care is very narrow and every day it gets narrower, whereas the jump from primary care to advanced is huge.

So it could be a restructuring of the whole system where you get rid of the advanced care completely and only have critical care in the air and then some kind of portion of just regular transfers for primary or advanced care—just regular advanced care and not flight.

M^{me} France Gélinas: Rather interesting. So the system sort of stays the same. Ornge continues to operate mainly on the critical-care side. The SA contract does the primary care, which gets merged more or less with more advanced, and then you make sure that there is enough training so that people who want to recruit have a pool of qualified people to select from?

Mr. Derek Wharrie: Yes.

M^{me} France Gélinas: And you feel that this would improve our system and this would bring us to a very good system?

Mr. Derek Wharrie: Yes, essentially. Basically you need dedicated carriers, whether it be Ornge or somebody running it elsewhere—like that used to be—where you have somebody on call, ready to go at the drop of a hat. You need that aspect of it, hands down, and then you need the ability for the overflow.

Then you just have to sort out the level-of-care issues, because you have BLS transfers that are going to always have to be made. Do you need critical care for those? Not necessarily. We've got to figure out what the ideal situation is: whether it is getting rid of advanced care and just having critical care and primary care or some kind of derivative. I'm not sure.

M^{me} France Gélinas: All right. My next question has nothing to do with what we've talked about. It brings you to the present. The ministry has made significant changes. You probably know that there's a new board, a new CEO, new directors. There are lots of changes that have happened at Ornge. But let's say something was to go bad. Let's say the rumour mill that fed you that information that something was drastically wrong at Ornge started again—"There's something drastically wrong happening at Ornge." Who would you tell and how would you go about telling that person?

Mr. Derek Wharrie: It's hard to say because, right now, with Ornge sort of having the full control of our contract, you don't want to really disturb those waters, if you will.

In the past, with the Ministry of Health on inspections, we've asked questions—I know I've asked questions on why certain things are happening differently for Ornge and whatnot—

M^{me} France Gélinas: That's when government EMS comes and does—

Mr. Derek Wharrie: Yes.

M^{me} France Gélinas: Okay.

Mr. Derek Wharrie: There's been a history of certain things that we've had to do and Ornge hasn't done it with

respect to, like, ACR audits and whatnot, things like that, but we've never had any answers, and I'm not sure that the front-line staff would have those types of answers.

M^{me} France G  linas: No, me neither.

Mr. Derek Wharrie: And I don't blame them for that. But at this time I honestly don't know where the avenue would be or what it would look like.

M^{me} France G  linas: Let me throw something at you. Have you ever heard about the Ombudsman?

Mr. Derek Wharrie: Sorry?

M^{me} France G  linas: The Ombudsman of Ontario.

Mr. Derek Wharrie: I've heard of them.

M^{me} France G  linas: Okay. And would you know how to reach the Ombudsman if you needed to?

Mr. Derek Wharrie: No. Not personally, no. It's something I could look up.

M^{me} France G  linas: The Internet works in Moosonee—most of the time.

Mr. Derek Wharrie: Yes.

M^{me} France G  linas: When I asked you what would make our system better, you did not talk about the oversight, where some of the oversight in the contract right now is not being done. You really focused on two things: the training and the dispatching of the level of care. I'll leave it out there. It's not critical to improve, in your view?

Mr. Derek Wharrie: I guess from my perspective, I'm more front-line. But looking back, I would say absolutely, the oversight definitely is needed. Ornge needs to be overseen just as much as all of us SA carriers and should be held at the same standards. It would be important to have a process, because we have penalties that we can get if we don't react in certain amounts of time or we don't tell them where our aircraft are, effectively, or something like that. We have penalties, but Ornge unfortunately doesn't have any penalties like they used to—not Ornge, but the air ambulance system used to have checks and balances. From my understanding, it doesn't any longer.

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M^{me} France G  linas: So right now, does Ornge actually carry through on those penalties? Do you ever remember a time where you were charged a penalty because your aircraft was down, because you didn't report?

Mr. Derek Wharrie: No.

M^{me} France G  linas: So they are there. They bark, but they don't bite?

Mr. Derek Wharrie: Well, I'd like to say that we've never been put in that position.

M^{me} France G  linas: Better answer. Way better answer.

Mr. Derek Wharrie: Yes. But they are there. I don't know of any instances where any of the carriers had to have been held up to those. It would be between Ornge and those carriers. But we've never been in that position, nor have we needed to be—or should have been, I should say.

M^{me} France G  linas: Okay. We'll let it go around.

The Chair (Mr. Norm Miller): Very well. We'll go to the government. Ms. Jaczek.

Ms. Helena Jaczek: Thank you. Mr. Wharrie, you explained to us that you joined Wabusk Air in 2008. Where were you working before that?

Mr. Derek Wharrie: I was working in confined-space rescue. I changed careers. I went back to school, got my paramedic qualifications and started right into it with Wabusk as the EMS manager and then as a flight paramedic as well.

Ms. Helena Jaczek: So you're trained to the level of a flight paramedic with basic primary care.

Mr. Derek Wharrie: I'm also employed by Ornge and I have just completed my advanced-care didactic. Right now I'm working through my preceptorship for advanced-care flight, so I'm a resident.

Ms. Helena Jaczek: Okay. You've explained that Wabusk Air is looking to dedicate another aircraft to air ambulance work and staffing up to the advanced-care level. Is this something that you're going to be taking on, or will you be hiring additional paramedic coverage?

Mr. Derek Wharrie: Well, it wouldn't be something that just myself could do. The plan is to hire other advanced-care paramedics and to train some of our primary cares up to advanced care and sort of keep funnelling up from within.

Ms. Helena Jaczek: So in essence, your business is expanding.

Mr. Derek Wharrie: Yes.

Ms. Helena Jaczek: In response to my colleague Ms. G  linas, you said that in your view, overall, it would be preferable to increase the scope or the capacity on the standing offer side, in essence keeping the Ornge capacity for the critical care, the on-scene-emergency type response.

Mr. Derek Wharrie: Some kind of organization to do that, absolutely.

Ms. Helena Jaczek: Okay. You also said that because of the issue that your contract is with Ornge, perhaps you don't want to necessarily rock the boat, or if there's something going wrong, that there's an issue there, because who would you complain to? You might get into trouble. If you see that you get more of the private sector involved in the basic inter-facility transport type of situation, how would you envisage and what would you see as a model—when things might go wrong, who would you think you could appeal to or what would you like to see as some sort of protection?

Mr. Derek Wharrie: I guess it would have to be an anonymous ability to come forth to a governing or oversight committee of Ornge to fulfill or to look at any issues that we might come up with when we don't feel comfortable going directly to Ornge, and then having the ability to fix it or the willingness to talk.

Ms. Helena Jaczek: Are you aware that Bill 11, which is in front of the House, our government bill, actually provides exactly that kind of whistle-blower protection? It is to go, in fact, to a legal firm if there is a

complaint, and it's investigated, and that is independent of Ornge.

Mr. Derek Wharrie: I've heard of it, yes.

Ms. Helena Jaczek: Yes. So you would agree that that would be a potentially good solution?

Mr. Derek Wharrie: I would say so, yes.

Ms. Helena Jaczek: Okay. On a day-to-day basis you're communicating with Ornge—you did before, from 2008. Can you just explain to us how you feel the relationship with dispatch, with anyone you might need to talk to at Ornge—is there any difference pre the new management? Can you explain to us—

Mr. Derek Wharrie: From the front-line aspect of it, talking with the OCC on a daily basis, no, there hasn't been much of a change at all, I would say, from our side of things. From a managerial point of view, the time frames for looking for clarification or any information, I would say are the same, if not maybe a little longer at this time, just with all the changes and who do we talk to and that sort of thing. But for the most part, I would say, from an SA carrier point, there isn't that much of a difference.

Ms. Helena Jaczek: So, in essence, patients are being looked after. You don't see any deterioration in service or anything of that type?

Mr. Derek Wharrie: In our neck of the woods, in our little box—because we don't know the big picture; right?—you get the patients or the facilities that say, "What took you so long?" but then you get the other ones, like, "Wow, that was quick."

It's hard to say from a global aspect, because we just get told what to do specifically in wherever the area we are at the time. We don't know how long this call has come in, how long they've been sitting on it or anything like that. From our aspect, I would say the patients are getting where they need to be. Do you hear about things? Absolutely. But nothing in our world do I see any immediate shortcomings.

The Chair (Mr. Norm Miller): You've used your time up. Are you satisfied?

Ms. Helena Jaczek: Yes.

The Chair (Mr. Norm Miller): Okay.

Ms. Gélinas.

M^{me} France Gélinas: You've caught me at a really bad time.

Thank you for coming. I just want to make the most out of the time that you will spend with us. You have on-the-ground experience. I've asked you, how do we improve the system globally? If you look at the work that you do day to day, what would make your work better for the patient and better for you?

Mr. Derek Wharrie: That's a tough one. As a front-line medic with an SA carrier, it would probably be some increase in communication. We have a lot of off-load delays at various hospitals. Whether or not that's because of local EMS etc., we don't have that big picture. There's often some—you know, we have to chase OCC rather than them providing us proactively, so maybe I would say—

M^{me} France Gélinas: Do some of the cities or hospitals come to mind when you talk about off-load delays?

Mr. Derek Wharrie: Absolutely.

M^{me} France Gélinas: Which ones?

Mr. Derek Wharrie: Kingston, Sudbury, Thunder Bay.

M^{me} France Gélinas: Is one worse than the other?

Mr. Derek Wharrie: I would say Kingston and Sudbury are probably pretty close to being the worst that we endure on a weekly, sometimes daily, basis.

M^{me} France Gélinas: On a daily basis. So it's not a one-off? There was a huge accident on the—

Mr. Derek Wharrie: No.

M^{me} France Gélinas: It's more of a systemic problem?

Mr. Derek Wharrie: Yes.

M^{me} France Gélinas: Anything else you can think of that would make your work and the quality of patient care better?

Mr. Derek Wharrie: The ability, as I said, to make things easier to go advanced care and to be able to provide that care. There are times up the coast that patients could use advanced care, and sometimes, with us being right there in Moosonee, there are delays waiting for aircraft coming in from Thunder Bay, let's say, or what-not. Being able to go advanced care and having the staff and the training would definitely assist the communities.

M^{me} France Gélinas: In making it better and safer for all?

Mr. Derek Wharrie: Absolutely.

M^{me} France Gélinas: This issue of getting the training for advanced care is something that comes up over and over when we're looking at improving the quality of the service.

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What can we put into place that would make it safe for you to report something if you saw that something was wrong?

Mr. Derek Wharrie: I guess the ability to report anonymously, for one, and then having the committee, or whoever we report to, have the power to invoke action.

M^{me} France Gélinas: Otherwise, if you're reporting to somebody who cannot act, then it's—

Mr. Derek Wharrie: Yes. If it falls on deaf ears, it does nobody good, right?

M^{me} France Gélinas: So if you were able to report anonymously, you feel that that would be a good way, and if you knew that when reports were done, they were actually followed up.

Mr. Derek Wharrie: Yes. We'd have to have two-way communication required. Previously, concerns have been brought to our contacts on sort of a mid-managerial level, but the question is whether or not it goes up to the top, or wherever it needs to go, to invoke the action. Nothing appears to happen, so you have to feel that it didn't go where it should be, or it fell on deaf ears, and they don't care what we have to say.

M^{me} France Gélinas: Neither one of those are really good.

Mr. Derek Wharrie: Exactly.

M^{me} France Gélinas: So we're looking at what could be improved. If you look at the different bases that you service, as in, that you get patients from—not repatriation, but really pick up patients from—is there a community, or a nursing station, or a hospital that you service where you get more complaints than others, as in, they are not as well serviced as another one or things are not working out?

Mr. Derek Wharrie: Historically, Kashechewan and Fort Albany have had smaller communities, but recently James Bay Ambulance has been able to expand into those communities, so I think that has alleviated a lot of the problems. They've got the nursing stations there. Overall I wouldn't say anybody really sticks out in my mind as always, "Why aren't we getting the service?" or anything like that.

M^{me} France Gélinas: Do you ever end up bringing a nurse back with you because the level of care is past primary care?

Mr. Derek Wharrie: Yes.

M^{me} France Gélinas: And how does that work out?

Mr. Derek Wharrie: It's difficult, because, at the same time, the nurse technically has control and care of that patient. I don't think there's a complete understanding of what their responsibilities are on the flight. So a lot of times, our primary-care paramedics are monitoring the patient more than what they should, and then if, heaven forbid anything happens, whether or not—it's not an ideal situation. That nurse is out of their element.

If something happens, they can't do very much without a doctor's order. Obviously, our paramedics can provide life-saving measures—CPR, defibrillation, that sort of thing—but if certain medications are required, we don't have that ability. It's not like you can just pull over in the sky and get that assistance. Is it an ideal situation? No. But is it effective when it's used? It's one way to get the patient moved, and, at this time, it's the only way.

M^{me} France Gélinas: Okay.

The Chair (Mr. Norm Miller): And are you almost done?

M^{me} France Gélinas: A one-off question: Do you have a large amount of time where your aircraft radios—you broadcast to traffic where there's nobody to talk to?

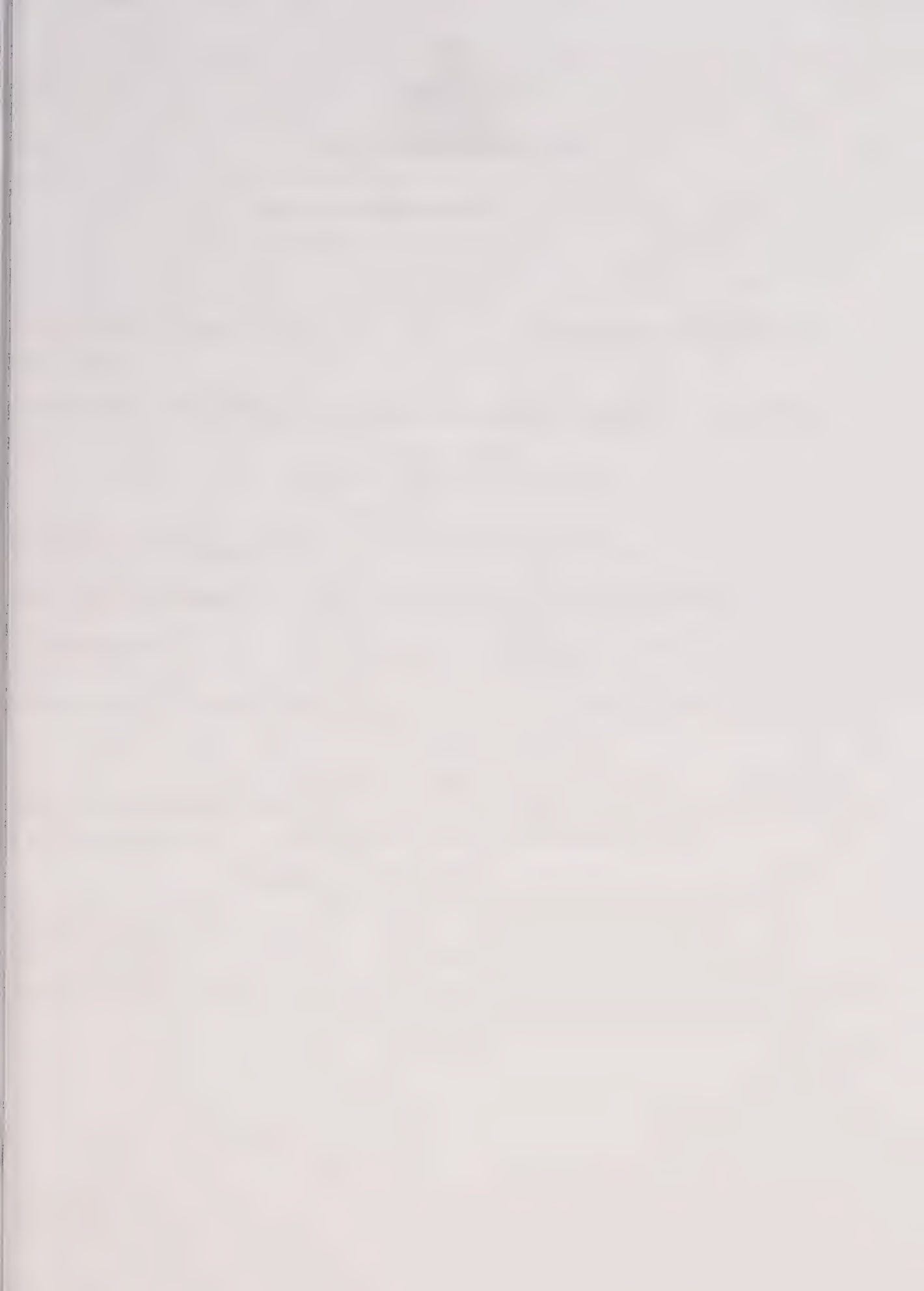
Mr. Derek Wharrie: With the ATC, you mean, air traffic control? We can always contact them, wherever we are, all the way up the coast. We don't have contact with the land CACCs, the dispatch centre in Timmins, once we go north of Moosonee, but we have the satellite phones for dealing with calling with Ornge or the ability to communicate through—I don't know how they do it—the ATC to get messages to Ornge or a local dispatch centre if we need to.

M^{me} France Gélinas: Thank you.

The Chair (Mr. Norm Miller): Thank you for coming before the committee today. It's appreciated.

At this point we're going to go into closed session to discuss documents and a couple of other issues.

The committee continued in closed session at 1445.



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Wednesday 2 October 2013

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Mercredi 2 octobre 2013

Standing Committee on Public Accounts

2011 Annual Report,
Auditor General:
Workplace Safety
and Insurance Board

Comité permanent des comptes publics

Rapport annuel 2011,
vérificateur général :
Commission de la sécurité
professionnelle et de l'assurance
contre les accidents du travail

Chair: Norm Miller
Clerk: William Short

Président : Norm Miller
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 2 October 2013

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The committee met at 1233 in room 151, following a closed session.

2011 ANNUAL REPORT,
AUDITOR GENERAL
WORKPLACE SAFETY
AND INSURANCE BOARD

Consideration of section 4.14, unfunded liability of the Workplace Safety and Insurance Board.

The Chair (Mr. Norm Miller): I'd like to call the meeting to order. This afternoon, the committee is looking at section 4.14 of the 2011 annual report of the Auditor General, unfunded liability of the WSIB.

First of all, I'd ask the presenters this afternoon to introduce themselves. I'd like to welcome you to the committee. You have 20 minutes for a presentation to begin with, then we'll go to questioning from the three parties.

Ms. Cynthia Morton: Hello. My name is Cynthia Morton, and I'm the Deputy Minister of Labour. I'll be doing a brief introduction on behalf of the government.

Mr. David Marshall: I'm David Marshall, the president and CEO of the WSIB.

Mrs. Elizabeth Witmer: I'm Elizabeth Witmer, the chair of the WSIB. I'll be making a presentation once the deputy is finished.

Mr. John Slinger: I'm John Slinger, the chief operating officer of the WSIB.

The Chair (Mr. Norm Miller): Welcome. Go ahead with your presentation, then.

Ms. Cynthia Morton: Thank you very much and thank you for the opportunity to address the committee. As you know, we're here today to discuss chapter 4.14 of the Auditor General's 2011 annual report, which dealt with the unfunded liability of the Workplace Safety and Insurance Board. That chapter in the 2011 report was a follow-up to the original report of the Auditor General in 2009.

Generally, to note, the WSIB does play such a significant role in protecting this province's workers, families and employers through the no-fault insurance system. It is a strong and eventually will be—we have full confidence—a well-funded system that serves a crucial role in Ontario's economy, and to help ensure fairness to injured workers as well.

The Auditor General's report in 2009 and its follow-up in 2011 called upon the government to ensure that the legislative framework reflected the appropriate balance in the relationship between the government and the WSIB. As a result, Bill 135 was introduced, which changed the powers of the government—the Minister of Labour—and changed the responsibilities and accountabilities of the WSIB to achieve sufficiency in the financial plan of the WSIB.

I would like to just briefly describe to you how the roles of both government and the WSIB are now spelled out in legislation, regulation and the memorandum of understanding between the minister and the chair; and how these different roles and the regulatory and legislative framework that has been changed as a result of Bill 135 are all intended to achieve the goal of fiscal sustainability for the workers' compensation system.

The Bill 135 amendments have established a significant new rigour and clearer accountability in the Ministry of Labour-government-WSIB relationship and, most importantly, have enhanced the transparency of reporting on the fiscal health of the workers' compensation system to the public of Ontario.

In general, the Minister of Labour is accountable to the Legislature for the WSIB and therefore has an important oversight role to play. The WSIB works at arm's length from the ministry and has the statutory authority to determine its own practices and procedures.

Section 159 of the WSIA, which is the governing legislation—and I believe you all have it—provides the board with the powers of a natural person, which include, among other things, the authority to set premium rates, to consider and approve its operating and capital budgets, to establish investment policies and to make program changes.

The oversight and interactions that operationalize the statutory relationship between the ministry and the board are governed by quite a comprehensive best practice memorandum of understanding that lays out protocols for communication and co-operation while maintaining the appropriate independence of the board.

Specifically, the Auditor General's 2009 report made reference to a number of provisions in the WSIA that provided the government with elements of control over the WSIB that the Auditor General believed compromised the independence of the WSIB.

As a result, in 2010 the government repealed these provisions of WSIA through Bill 135 to reaffirm the independence of the WSIB. The sections of the act that were repealed were subsection 96(4), which had formerly allowed the Lieutenant Governor in Council to direct the WSIB to increase premium rates; section 100, which had allowed the Lieutenant Governor in Council to direct that an amount be advanced from the Consolidated Revenue Fund to the WSIB to make benefit payments; and finally, section 167, which had allowed the minister to issue a policy direction approved by the Lieutenant Governor in Council to the WSIB. All of these provisions were repealed through Bill 135, removing the government's authority to do any of those things.

In addition to the Auditor General expressing concerns in his 2009 report about these control mechanisms in the statute that were repealed, the report was overwhelmingly focused on the need for both the government and the WSIB to pay greater attention to the rising unfunded liability and to put in place a plan of action that would retire this debt. This need to address the unfunded liability is the basis for all other reforms that you will see in Bill 135.

What Bill 135 requires the WSIB to do is essentially achieve what is called sufficiency of funding. The bill requires the WSIB to report to the Minister of Labour along the way of achieving sufficiency of funding on its progress. The government and the WSIB, having now received the legislative framework of Bill 135, sought the advice of Professor Harry Arthurs on how to define what sufficiency of funding meant. Did it mean full funding of the WSIB or did it mean something less?

Professor Arthurs issued a report called *Funding Fairness*, which was released in May 2012. That report recommended that the WSIB move to a fully funded system, a 100%-funded system, and based on that recommendation, the government passed regulation 141/12.

That regulation requires that the WSIB insurance fund reach the following sufficiency ratios on its path to achieving full funding: 60% full funding by December 31, 2017; 80% of full funding to be achieved by December 31, 2022; and 100% funding to be achieved by December 31, 2027.

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These funding sufficiency ratios set goals for the WSIB to reach on their way to full funding by 2027, and they are to be supported by what is called a sufficiency plan, prepared by the WSIB and provided to the Minister of Labour.

The WSIB recently prepared its first sufficiency plan and submitted it to the Minister of Labour in June 2013. I believe that we've provided the plan to the committee and it is publicly available on the WSIB's website.

This plan was at the request of the Minister of Labour before he formally accepted and adopted the plan, shared with both the Ministry of Finance and the Auditor General's office. The minister wanted the assurances of both that in their opinion, as well as the minister's, the sufficiency plan was appropriate. As a result of the

feedback received, both from the Auditor General's office and the Ministry of Finance, the Minister of Labour accepted the sufficiency plan and it is now posted and publicly available.

Based on the review of the WSIB's progress in achieving their regulatory obligations of 60% funding by 2017, the minister is confident, based on the plan submitted, that goal will be achieved.

The chair of the WSIB, Ms. Witmer, and Mr. Marshall will be able to provide the committee with information about the steps the WSIB is taking to move to that fully funded system, as well as further details on the progress made to date.

I think I'll stop there.

Mrs. Elizabeth Witmer: Good afternoon, Mr. Chair and members of the Standing Committee on Public Accounts. We appreciate the opportunity to address you today to report back on the significant progress that we have made to ensure the financial sustainability of the board for employers and workers since the Auditor General's 2011 report.

As you know, the board's costs were totally out of control, and action was desperately needed to ensure the financial sustainability of the board to ensure that it could protect the 4.2 million workers and the 255,000 employers it serves from the consequences of workplace injuries and illnesses, while delivering services to the quarter of a million people who are receiving benefits and support from the board at any given time.

So the transformation of the WSIB began. It was led by our very capable president and CEO, David Marshall. I would say to you that the transformation has been truly impressive and it does ensure that the system is not only fiscally accountable and sustainable for workers and employers, but, it is much more responsive to their needs. Our ultimate goal is to transform the WSIB into the best workplace insurance system in Canada.

Where are we today as we move forward with that goal? I want to look first at the financial transformation of the board as it pertains to our unfunded liability. As you know, that was the biggest threat to our system, and aggressive action, of course, has been taken by the government and by the board. You've heard from the deputy that legislation was passed that requires us to reach 60% funding by 2017, 80% by 2022 and full funding by 2027.

I'm very pleased to say that we are currently approaching 60% and we are on track to meeting that requirement in 2017. However, we can never forget that our system is at a very delicate stage. I want to emphasize the fact that the next funding requirement of 80% by 2022 will be much more challenging to achieve, so it is absolutely vital that we maintain our course.

Contributing to our positive financial outcome is the fact that we have diversified our investment portfolio. I would say to you that we are getting better investment returns as a result.

As well, we've made operational changes and there is stronger financial discipline within the system, which is helping us get our unfunded liability under control. It was

\$14.2 billion when I arrived in May 2012. Today, we are under \$13.2 billion, so we have seen a billion-dollar decrease.

Another reason for the reduction in the UFL is that we have focused on return to work. As a result, our claim costs are coming down. We now have one of the lowest new claims costs among all the provinces in Canada.

As well, in 2011, because of fiscal discipline and operational changes, for the first time in 10 years, and again in 2012, we balanced our books, and we actually had an operating surplus. As a result, we no longer need to borrow from the investment fund, as we had been doing. Instead we are able to provide funds to the fund. In fact, this year, we have already added \$500 million.

If you take a look at the unfunded liability and its costs, without the unfunded liability, we actually would have one of the most competitive premium rates in Canada because currently one third of employers' premiums go toward paying off the UFL. However, we did increase premium rates. We have seen an increase in insurable earnings, and so as a result, I am pleased to emphasize that board's annual revenue now covers our operating costs.

Of course, as a result of these financial improvements, we were able to freeze premium rates for 2014.

But let's take a look at what has really influenced the outcome. We have focused on helping injured workers return to work. We have transformed our medical strategy, our work transition and our return-to-work programs. As a result, we have seen a reduction in our benefits costs from \$3.2 billion in 2009 to \$2.7 billion in 2012.

Let's look at return to work. We have completely transformed our approach to helping get injured workers back to work. We are now actively participating in their recovery and return to work. We added 300 return-to-work and work transition specialists to help workers either return to their current workplace or assist those with more complicated cases, who can't return to their current workplace, find new employment opportunities. In 2012, these specialists made 23,000 work site visits to support employers and workers. Nowadays, as soon as a claim is registered, we have immediate intervention by a case manager. So this proactive approach is getting better results. In 2012, 92% of all workers were back to work with no wage loss, compared to 85% in 2009.

Under our work transition program, which is for people who can't return to their original workplace, 69% of injured workers now successfully obtain employment after completing their programs. That is an increase from the previous 36%. We are very encouraged because there are people behind these numbers, and we want to do what we can to return them to good health and to a well-paying job.

Let's look now at the transformation of our medical strategy, which is really critical to getting our injured workers back to work. Not only are we improving our health services, but we're reducing our overall health costs. Leading up to 2009, health costs were escalating at

a rate of about 8.5% each year. Since 2009, our costs each year have decreased by 10.5%; however, the cost for each injured worker is increasing. We are paying more to support them.

Our new medical strategy allows injured workers to get access to expert medical diagnosis, tests and surgery faster than before, through an integrated service model. We have become a leader in appropriate narcotic treatment. We have expanded our programs of care. These are effective in treating injuries such as low back or shoulder injuries or fractures. For more complex injuries and occupational diseases, we've introduced a network of specialized assessment and treatment services across the province to help injured workers recover more quickly.

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Our health transformation is creating a system that delivers long-lasting, better health outcomes to those recovering from injuries and illnesses. Improvements in WSIB support for injured workers are putting over two million person-days per year back into the economy by lowering days lost from injury. In fact, I'd say to you that the WSIB is now an industry leader. Other insurers and jurisdictions in Canada are coming to us for advice on best practices like our narcotics strategy, our health care strategy and our approaches to supporting return to work.

Before I conclude, I just want to touch briefly on the issue of occupational disease. These claims are complex. They do pose a risk to the insurance fund. As a result, we have developed a plan to manage this risk. Before allowing a claim, we do review the scientific research, and we gather the medical information to ensure that there is significant evidence to link a worker's current medical condition to workplace exposures, work history and other factors. Moreover, we have set aside more than \$1.4 billion for future occupational disease claims. We know they are going to come, and the money is there to pay them.

I think you will see that our transformation is achieving not only positive financial results but better outcomes for injured workers and employers. We believe we are well positioned for the future. We are solving our current and potential challenges.

I want to thank David Marshall, his senior management team and the entire WSIB staff, as well as my board, because this would not have been possible without their hard work and commitment to providing the best system for the workers and the employers that we serve.

I want to emphasize, though, that we are at a delicate stage. The next 80% funding requirement is going to be more challenging than achieving this first 60%, so we need to keep making gains. We need to build on our achievements, and we need to recognize that the system is still very fragile.

As Professor Arthurs said, we are at the tipping point, and the success could easily be undone, but we are going to maintain our focus. We believe that if we operate the system properly, it is entirely affordable, it will be sustainable, and we can meet the future needs of employers and workers. Thank you.

The Chair (Mr. Norm Miller): Thank you very much for that opening statement. I guess we'll go to the opposition for up to 20 minutes of questioning. Who would like to go first? Mr. Barrett?

Mr. Toby Barrett: Yes. Thank you, Chair.

Thank you for coming before this standing committee. Of course, for a number of years, public accounts has been concerned, as we all are, with the unfunded liability. It's quite heartening to hear of a \$1-billion—perhaps plus—reduction in the unfunded liability to, this year, \$13.2 billion, I think it was, which is double what it was 10 years ago.

We know that the unfunded liability over the years—there have been other measures that have been able to reduce it. Just very briefly—it's maybe a request. I won't take much more time on this part of it. I have some of the figures for the unfunded liability—say, for the past 10 years—and I know there has been a concern and plans put forward going back to something like 1982. I would like to get, perhaps, a chart with the year and the dollar figure of the unfunded liability—I know it's in many of these reports—not only going back, but also going forward. As you have indicated, the plan is to balance it in 2027. I'd like to have a projected dollar figure, year by year, going up to, obviously, 2027, where it would be zero. Okay?

Now, a question: We know that something like 30% of workers are not covered. We know that on January 1 of this year, amendments were made to the act to bring in the construction people, the partners, the independent operators. Just a progress report: First of all, how many individuals would that be? That's my first question. Second, how many have signed up to date?

Mrs. Elizabeth Witmer: Thank you very much, Mr. Barrett. Yes, Bill 119, of course, was passed, and people had to come into compliance on January 1. I will say to you it had originally been anticipated that there may be between 45,000 to 90,000 independent operators who are required to come into compliance with the legislation. However, having said that, as of today, we have only about 20,000 individuals who have registered with us.

As we approach the end of the year, we are going to focus on raising the public awareness. We've done a lot this past year to make people aware of the fact that they need to register, but we are going to raise public awareness of the fact that they need to register because, beginning on January 1, 2014, if people are not in compliance, obviously, just as others who don't register, they will be subject to fines and penalties.

Mr. Toby Barrett: Okay. I don't know whether you have the figure. What is their premium rate for \$100? Does it vary?

Mrs. Elizabeth Witmer: Mr. Slinger?

Mr. John Slinger: It does vary, depending on the industry—depending on the type of work they do.

Mr. Toby Barrett: Okay. Has anybody filed a claim? Do we know?

Mrs. Elizabeth Witmer: Yes, we've had fatalities, and people have filed claims.

Mr. Toby Barrett: Just another general question, and I know our labour critic has some questions as well. With an insurance board or an insurance system like this, I find in reading, well, Arthurs's report for example—again, rightfully so, the focus is on the unfunded liability; and much of the discussion—and I've found too with the Auditor General's papers that much of the discussion focuses on funding. It obviously focuses perhaps more on employers' premiums, increasing employers' premiums, adjustments to the investment portfolio, which you made mention of. Much of it seems to focus on the revenue side.

I raise this question. I sat on the board of an insurance company for a number of years and I found we didn't—we obviously talked about premiums, but that was only a part of it. We had to serve our policyholders. That was the mandate of our board: our customers. We talked about other things, like fraud.

That discussion is going on right now in the Legislature and in some of these circles with respect to insurance, particularly auto insurance. We talk a lot about fraud; we talk a lot about cutting costs. I don't hear so much talk about funding, other than—I guess I can't speak for the other two parties; they're talking about a 15% premium cut. I don't think WSIB is talking about a 15% premium cut.

Mrs. Elizabeth Witmer: No, we're not going to be doing that.

Mr. Toby Barrett: What I do wish to know is what deliberations, what approaches are being taken as far as cutting costs, taking a look at efficiencies, rent? I know we've heard a bit about the program with respect to narcotic analgesics. How significant would that be in finding savings? My question is more on the spending side, not the revenue side.

Mrs. Elizabeth Witmer: I'm going to allow Mr. Marshall, who really has spearheaded the transformation in order to achieve the efficiencies that I think you've spoken about. Mr. Marshall?

Mr. David Marshall: Sure. Mr. Barrett, the focus of our work has been balanced on all possible ways to get to security of funding. The chair talked about raising premium rates, but we've also, and probably very importantly, focused on the fundamentals of our business, which is really getting workers back to work earlier and better medical care. I could say overall that expenses on benefits have actually reduced by half a billion dollars a year since 2009 to the end of 2012. That has been achieved by paying attention to claims early and finding out which claims are likely to need the most attention—for example, back injuries in construction—and getting them the appropriate medical care.

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We now decide on the eligibility of 90% of claims within two weeks. Our research showed that if you don't get a worker back to work within 90 days of their injury, the chances they'll ever work again drop by 50%, so every day counts, and so we get to the claim as quickly as we can. We then make sure that we focus on the claims

that are going to be most difficult for the worker, and we then proceed to create a medical plan for them and immediately start to talk to the employer about helping the worker back so that they don't sit at home with painkillers. They come back to some modified work and eventually get to full recovery.

Our chair spoke about the fact that we hired an extra 300 people to just focus on return to work, and they made 23,000 visits in person to employer premises to negotiate return to work on behalf of workers. In Ontario we went from, in 2009, having the worst record in Canada for helping workers back to work to the best record today in that area. So that has contributed to the fundamental improvement, if you like, in our operation.

Mr. Toby Barrett: Just the latter part of my question—fraud, do you still have a fraud unit?

Mr. David Marshall: We do have an investigations unit. John, do you want to just talk about how we approach that?

Mr. John Slinger: Thanks, David. We established an investigation unit, I think in about 1996, and new legislation was brought in which actually gave us the authority to lay our own charges under the Provincial Offences Act for false and misleading statements given to us. So that changed things fairly dramatically from the days where we would have to go to the police and convince them that there had been an offence. Since having our own ability to charge, and recruiting former police officers as our senior investigators, we've seen significant improvements.

I will say that fraud is not where we start when we talk about compliance. We would rather be able to educate and get voluntary compliance, but there's no question that in a system as large as ours there will always be circumstances where you need to investigate and potentially lay charges and take appropriate action.

Mr. Toby Barrett: Thank you. I'd like to go over to Monte.

The Chair (Mr. Norm Miller): Mr. McNaughton?

Mr. Monte McNaughton: Excellent. Just to follow up on Mr. Barrett's point on the fraud, do you have a dollar figure assigned or a percentage of an overall spending?

Mr. John Slinger: Yes. I will say it would roughly be in the magnitude of \$10 million to \$20 million a year that we saved through our fraud investigations. Obviously it includes both stopping a benefit that shouldn't be paid or a registration that an employer had not taken. It involves obviously the translation of that into future savings as well.

Mr. Monte McNaughton: Okay. What I really wanted to ask you about—and it's something I learned this morning, but it's just about the new accounting standard. As of right now, the unfunded liability is just over \$13 billion. With the new accounting standard, what would today's unfunded liability actually be at?

Mr. David Marshall: I think you're referring, Mr. McNaughton, to the potential for the liabilities of the insurance fund to be valued at going market rates for the long bond.

Mr. Monte McNaughton: Yes.

Mr. David Marshall: Obviously, every change in the interest rate which we use to value the liabilities has a big impact on the total. Again, it relates to what the interest rates would be at the time this regulation came into effect—

Mr. Monte McNaughton: But say today, just so we understand it—

Mr. David Marshall: Actually, it's interesting today because it's creeping upward already, but if you were to ask us this—let's say when interest rates were very low, say at 3.5% or so, 4%, that would add about \$3 billion to the liability right off the bat.

Mr. Monte McNaughton: So it would actually be higher than the \$13 billion today. It would be at least \$16 billion.

Mr. David Marshall: If it came into effect today, right. What we have proposed to the government is that, since we are unlikely to be wound up on a day-to-day basis, it may be worthwhile to look through day-to-day variations, good and bad. As interest rates rise, it will come down, in a sense, without us having taken any action.

Mr. Monte McNaughton: Or the return on investment and things like that.

Mr. David Marshall: Yes. So, rather than that, to look through to, say, a five-year average of rates so that we don't—to meet the legislated requirements, if \$3 billion adds to the liability, we have to collect that from employers to reach our legislated goals, and that would be manifestly unfair, only to see rates change a little while later. To focus on the real issue, which is proper funding, the fact is that we are a going concern, and maybe look at an average over five years. That's what we've talked to the government about.

Mr. Monte McNaughton: Okay. Just furthermore to that, there are obviously independent reports, such as the C.D. Howe Institute, that peg the unfunded liability at around \$20 billion. I don't know what calculation they're using, but is it possible that some of these outside think tanks are using this new accounting standard to come up with that inflated number?

Mr. David Marshall: Yes, Mr. McNaughton. They have actually used a 2.5% discount rate to discount the liabilities, but something I can assure you is that we have used independent firms of outside actuaries to scrub our liability very, very thoroughly. They've gone to every aspect that we are doing. Indeed, we have added to the liability, if you like, on our own by almost \$5 billion since we last came before your committee, in order to make sure that we were very conservative in the calculations. We are on top of it.

Mr. Monte McNaughton: I'm definitely not questioning it. I just learned that this morning about this new accounting standard, so I think that's news, probably, to many.

One other thing I wanted to ask you about is—and, again, this was new to me this morning—this idea of a locked-in feature: that after six years, basically, there are

no more visits from the WSIB and they are locked into benefits for life, essentially. It's my understanding that Ontario is the only jurisdiction in Ontario that has that feature.

Mrs. Elizabeth Witmer: Yes.

Mr. Monte McNaughton: From the WSIB's perspective, would that be something that you would like to see changed? Would that help achieve fiscal results?

Mrs. Elizabeth Witmer: Right. Well, that would be the prerogative of the government of the day to make that decision, obviously, so that's something that we would leave in their hands, to make that decision.

Mr. Monte McNaughton: Okay. And then just, I guess, my final question would be on employer premiums. Maybe I missed it, but just going forward, say, over the next few years, what's going to happen to employer premiums? Because right now, obviously, they're the highest in the country.

Mrs. Elizabeth Witmer: Right, and they will remain higher until such time as we eliminate the unfunded liability. As I think I said in my opening remarks, right now one third of their premiums go to the discharge of the unfunded liability.

However, as a result of the progress we have made and the financial discipline we currently have, we are able to freeze the premiums for 2014. We recognize that that is important, because it allows employers, obviously, to devote the resources to the creation of jobs and increased productivity.

Mr. Monte McNaughton: Okay. That's it for me. Thank you.

The Chair (Mr. Norm Miller): Mr. Arnott?

Mr. Ted Arnott: Thank you, Mr. Chair. Madam Chair, it's great to see you back here at Queen's Park with your senior staff, and I want to compliment you on the great job that you have done at the WSIB since you assumed that role—just over a year ago, I guess. It's very satisfying to learn of the progress and some of the specifics of what you have been able to accomplish there.

You mentioned the investment portfolio and stronger returns as being a positive development through diversification. Are you at liberty to give us more information about that? Certainly, if we can generate better returns through the investment portfolio over time, we would be in a position, obviously, to reduce the unfunded liability more quickly and hopefully achieve the goal of full funding sooner than 2027. That would certainly be our objective, I think. Perhaps you can give us some more information about how the investment portfolio is currently being managed and what steps are being taken going forward.

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Mrs. Elizabeth Witmer: We'd be happy to do that. Currently, I believe, it stands at about \$18 billion. I'm going to ask Mr. Marshall to let you know how we are investing our money differently today than we did a few years ago and why we have such great returns.

Mr. David Marshall: Mr. Arnott, the issue of the investment fund is extremely important for us because

it's about \$18 billion and it's such a huge and important part of our funding picture.

Over the last 10 years or so, we had to actually withdraw money from the fund to pay day-to-day expenses. I think the Auditor General actually pointed that out, and other commentators have observed that that was a very, very risky thing to be doing. At the same time, it put pressure on our managers to maximize return and, therefore, risk.

Over the last three years we have now started to change that whole profile. Because, as the chair pointed out, our premiums are now covering all our costs—benefit costs and administration—and with some to spare, we are now actually putting money back in the fund and allowing the income of the fund to accumulate on a compound basis. That is a very, very valuable feature that we now have.

About three years ago, before the board adopted a new strategic investment plan, we were invested 65% in public equities—shares on the stock market—30% in bonds and about 5% in real estate. That made us very vulnerable to changes in equities. It was good if it was going well and very bad if it wasn't going well. The risk profile was about 11% to 12% in that kind of a mix.

There is now a new strategic investment plan that the Ministers of Labour and Finance have accepted, which we filed with them, that totally changes that profile. We are now going from 65% in public equities to 30%, as well as bonds, cutting the risk in half, and increasing our investment in infrastructure and real estate to balance the portfolio. We won't, in a sense, hit it out of the park, but we won't tank either. Our risk profile has actually come down in half, and that allows us, in a sense, to have steady progress.

Mr. Ted Arnott: Thank you very much for the answer. Another question to you, Mr. Marshall.

The Chair (Mr. Norm Miller): Very quickly.

Mr. Ted Arnott: Yes. You had indicated that if people don't get back to work after a workplace accident within 90 days, 50% of them won't go back to work at all. Of that 50%, how many will go back to work within a few weeks or months of that?

Mr. David Marshall: The 90-day demarcation is kind of a general point to see—you want to make sure that you get people back really soon. As the chair pointed out, obviously some workers are very, very badly injured and are never going to get back to work. Others take longer, perhaps because they're young workers or their skills are not that transferrable, and we have a program to help them.

What happens is that if they're not back for a year after their injury, we then take special measures by retraining them in a new profession or a new skill. We have put in place many new avenues for workers that never existed before. We have community college training, trades training and other things like that, and we've been very successful. I think the chair pointed out that about 70% of the workers who haven't gotten back after a year actually do get back now, because we're helping

them. That means that we don't have to help them basically replace their income until they're 65, and they're not working. So it's a good benefit for everyone. We keep working with them all the way.

The Chair (Mr. Norm Miller): Thank you. We'll move to the NDP. Who would like to ask questions?

Mr. Taras Natyshak: I'll start.

The Chair (Mr. Norm Miller): Mr. Natyshak.

Mr. Taras Natyshak: Thank you very much, Chair. Thank you very much for appearing once again. It was my pleasure to see you here last year. I think we could spend more than just half of a day or half of an afternoon with you all, but I do appreciate you appearing before the committee here again today.

My first question, I would guess, would be pointed to Mr. Marshall. We've heard that the average length of labour market re-entry programs has been cut from about 19 months down to about five months. My question is quite simple. You've indicated that you have had greater success in labour market re-entry programs. How does cutting the average length of retraining then equal a greater success in putting people into work? Could you explain that?

Mrs. Elizabeth Witmer: Mr. Slinger will respond to that.

Mr. Taras Natyshak: Very good.

Mr. John Slinger: I think that number is probably something that you read a year or two ago, shortly after the program came out. These were some of the preliminary numbers that came out from the new program. Those would have been new cases going directly into the new program, and many of those workers were getting back to work, with some retraining, with their injury employer. We now find, as the system matures, probably around 12 months is our average time taken through the LMR program, which actually would include about a three-month planning/assessment period and then 12 months actually in a program. Those would be the numbers today based on our—

Mr. Taras Natyshak: Today, there is an average of around 12 months in LMR—

Mr. John Slinger: Correct. In a program, that's correct.

Mr. Taras Natyshak: Do you have any hard data on that?

Mr. John Slinger: Absolutely, yes.

Mr. Taras Natyshak: Okay.

Mr. Jagmeet Singh: And would you be able to table that with the committee?

Mr. John Slinger: Well, I don't make those decisions, but the information is available.

Mr. Taras Natyshak: Very good.

Mr. Jagmeet Singh: Okay. Thank you. Go ahead.

Mr. Taras Natyshak: Of course our offices are bombarded by calls—

Mrs. Elizabeth Witmer: I remember it well.

Mr. Taras Natyshak: I'm certain that you do. It continues today, and I don't see a clear path to being able to lower the amount of calls that come in. They truly do

occupy and make up about 50% of the casework that comes into our office: Folks who are having trouble accessing benefits, folks who have been deemed, folks who are nearing the threshold of their six-year lock-in period and finding themselves subsequently cut off. These are questions that obviously make up some of my questions.

The more stringent eligibility criteria that have been applied, starting in 2011-12—can you provide us with some data on how many and what percentage of the claims didn't meet the eligibility criteria in 2011 and 2012 or the first half of 2013?

Mrs. Elizabeth Witmer: I'm going to ask Mr. Slinger, but I would say to you, we are allowing the same number of claims today as we did in the past, and I believe it stands around 80%. Mr. Slinger can give you some of the details. Now, you're in the Windsor area?

Mr. Taras Natyshak: Yes.

Mr. John Slinger: So that's correct. We have not changed. It's been a stable rate probably for the last 10 or 15 years.

Mr. Jagmeet Singh: Our understanding is that the criteria have become more stringent. Is that not correct, then?

Mr. John Slinger: It has not. In fact, I think the good news about eligibility, as David mentioned, is that over 90% of decisions are now being made within two weeks, which means workers are getting their benefits earlier, and there has been no change in the allowed/denied rate.

Mr. Taras Natyshak: So if workers are receiving their benefits earlier, those workers who are being denied are being denied earlier too because of a new formula or—

Mr. John Slinger: No, it's—

Mr. Taras Natyshak: —some stringent—

Mr. John Slinger: Really, it's a direct result of the new service delivery model. I think when we were here the last time, we probably talked about the fact that we have dramatically changed all of our front-line service and we've done it largely to put us in a position to better serve workers in terms of their health care and return to work.

We had a model in the past that had a consolidated adjudicator responsible for every issue in a claim over a six-year-plus period. We found that that was too big a job and they couldn't have the expertise or focus they needed to handle unique situations, and a unique situation is initial entitlement, and unless you have people who do nothing but that and have the best possible skills and practice, it was frankly taking 30 days. It was more like 65% within two weeks. A lot of cases were waiting 60 days, 90 days for decisions. We found that that was a problem, not only because a worker would go without benefits, but also because our ability to start focusing on return to work took longer. A worker who was involved in fighting with us for benefits over an extended period of time would probably spend more of their time focused on the disability and less time focusing on return to work.

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This is something that we learned when we did some work with the Institute for Work and Health. We found that when our outcomes started really to go downhill in about 1999, there was a strong correlation between how long it took us to make initial eligibility decisions and their early return to work. We felt that we needed to close that gap significantly in order to get into the return-to-work conversation much earlier.

Mr. Jagmeet Singh: There was a value-for-money audit done by KPMG in 2010. Am I mistaken that they reported that there was an increase in claim denials?

Mr. John Slinger: They didn't report that, and that has never been the case.

Mr. Jagmeet Singh: Okay.

Mr. Taras Natyshak: To the question of the six-year threshold, the cut-off—again, we're finding deep concerns and, just on my personal basis, finding a higher incidence of folks coming in at, or nearing, that date, being cut off. I would like to know if you have any data on how many people this has happened to over the last year, two years, three years. How many people are finding themselves nearing that date and having their eligibility eliminated, or their benefits cancelled?

Mr. John Slinger: That's a really good question. I think an answer to that really lies in the system that we have, the legislative system. I think it's important to understand that people talk about a wage loss system. This is an estimated wage loss system. It's not an actual wage loss system.

The legislation requires us, at a certain point in time—no later than six years—to estimate the likely earning loss for that work to age 65. So a benefit adjustment always occurs once we've concluded a plan and worked with the worker to get back to work. We are required by the statute to estimate those wages. That has been a system in place since 1990.

Now, I will say that when you have a worker coming to you saying, "Well, the board estimated that I could earn this, but I haven't yet found that job," we have employers who, of course, come to us and say, "We estimated a wage loss, and then they want back to work after the six years after being locked in and got a job at no wage loss and now they get both."

So inherent in this estimation—if you can kind of appreciate the challenge of us estimating forward potentially five, 10, 15, 20 or 25 years what the worker is likely able to earn with this particular condition, that's why the lock-in is a challenge.

To us the real answer lies in, what are the long-term results for these folks? In other words, if a worker is injured, how are they doing in the long term? This has been an extremely important issue for us for years.

We engaged in work with the Institute for Work and Health all the way back into the 1990s to do a longitudinal study on outcomes for injured workers in terms of how well they were approximating their earnings. The institute looked at three years' worth of injuries with permanent impairments that were locked in, followed

those cases over a 10-year period and compared that group of injured workers with a comparable group of non-injured workers—same age, same earnings at the time of injury, occupation and so on. And—

Mr. Taras Natyshak: Mr. Slinger, if I might—

Mr. John Slinger: Well, I think this is—

Mr. Taras Natyshak: I fully expect that you could continue on that train of that thought for quite some time—

Mr. John Slinger: I'm going to give you an answer in just a second.

Mr. Taras Natyshak: No. The question was simply do you have data in terms of—

Mr. John Slinger: I have data.

Mr. Taras Natyshak: —the cut-off for folks who are nearing the age of 65 or in their 60s who are nearing the six-year threshold. That's the data that I want, a sheer number that you either tally, or you don't.

Mr. John Slinger: The data of the study showed that combining—and we used CRA data. When we looked at the injured workers' earnings plus what they received from us in terms of permanent impairment awards and loss-of-earnings awards, and compared that with the same group of non-injured workers, the injured workers were making 105% of the wages of the non-injured workers. What that tells us is how challenging it is to forecast forward. Now, that could say—

Mr. Jagmeet Singh: Because we are on limited time, my concern is—we'll have that tabled for us: the percentage of workers who are cut off after a six-year period and the number of workers, in general, who are cut off. That's all we're looking for. That would help us—

Mr. John Slinger: Well, I think that if you're looking at this issue, obviously, as legislators, you want to look at it from a public policy point of view. That is the public policy issue.

Mr. Jagmeet Singh: Sure.

Mr. John Slinger: How well are we able to estimate forward the benefit adequacy for those workers? That longitudinal study, which is a significant one, actually showed that when you combine benefits with earnings, those workers actually did slightly better than non-injured workers. Now—

Mr. Jagmeet Singh: Sir, we're asking the questions, and that's not the question that we're asking at this point in time. I'm very interested in that, but maybe in a later question.

Mr. John Slinger: I'm sorry.

Mr. Jagmeet Singh: Our question now, sir, is on permanent impairment awards. I'm going to ask you a question about that. I'll read the question to you, and hopefully you can answer the question in a succinct manner, please. There appear to be fewer injured workers who have received permanent impairment awards. That's what the appearance is to us. Has the board changed its approach towards determining when a worker is entitled to a permanent impairment award, and has it changed its approach to determining the level of the impairment awards? Has that happened?

Mr. John Slinger: So two questions.

Mr. Jagmeet Singh: Two questions.

Mr. John Slinger: The first question: No, we haven't changed. The proportion of lost-time injuries that go to permanent impairment is going down. The good thing is that it's going down to levels that we have previously seen when we managed cases and did more around return to work. As we have brought that return-to-work function back, what we have found is that the cases that used to go to permanent impairment—for example, the low-back soft-tissue strain that became a permanent impairment—really became a permanent impairment because the medical treatment was poor. We were seeing prescriptions for narcotic medication increasing by 100% over 10 years. We weren't seeing good health care being applied in those cases. In addition, we weren't facilitating return to work; we were leaving workers off work. The result of that is that workers were being permanently impaired in relatively minor injuries, and that was a major problem for us. The combination of our medical strategy and our return-to-work strategy has, in fact, reduced the incidence of permanent impairment, which is precisely what we would have anticipated based on our past history.

Mr. Jagmeet Singh: So you haven't changed your approach to it—

Mr. John Slinger: Correct.

Mr. Jagmeet Singh: —but there has been a reduction in the level of permanent awards.

Mr. John Slinger: And it has actually put us in a position where we are now into the realm of other provinces. In other words, we were an outlier in that we had a much higher rate of permanent impairment awards than, in fact, other provinces. We are now back to where other provinces are because, again, we are more actively managing these issues.

Mr. Taras Natyshak: How long do you track workers who have returned to work? How do you track them post return to work?

Mr. Jagmeet Singh: And this question is to the panel. It doesn't have to be Mr. Slinger who answers.

Mr. John Slinger: Well, we're tracking them for 10 years, because we're continuing the longitudinal study with the Institute for Work and Health. We are expecting an update by the end of the year with respect to a newer group of injuries with later accident dates. Our view is that, if you don't look 10 years out, it's very difficult to determine whether or not you have adequately compensated or estimated their earning capacity.

Mr. Taras Natyshak: Do your return-to-work numbers include people who the board has deemed to have returned to work but possibly have not actually returned to work?

Mr. John Slinger: All of our return-to-work numbers are actual return to work.

Mr. Taras Natyshak: They are currently employed and working?

Mr. John Slinger: They are all return to work at the point that we left them when we finished with their claims.

Mr. Jagmeet Singh: The next question is—how much time do we have left?

The Chair (Mr. Norm Miller): You have five minutes.

Mr. Jagmeet Singh: Perfect. The next question is regarding coverage. The Auditor General has said that coverage is a major level in dealing with the unfunded liability. He—at the time, he—also says that Ontario's coverage is lower than in many other provinces. I know the decision to extend coverage is a government decision, but could you comment on Ontario's coverage versus the coverage that exists in other provinces? Where do we rank in terms of other provinces?

Mrs. Elizabeth Witmer: Rank?

Mr. Jagmeet Singh: In terms of the coverage that we provide.

Mr. David Marshall: Mr. Singh, about 70% of the workers in Ontario are covered, in terms of the employers and the workers, so about 30% of the workers are not covered in Ontario. That's the lowest percentage of the other provinces at this stage.

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Mr. Jagmeet Singh: Ontario's is?

Mr. David Marshall: Yes.

Mr. Jagmeet Singh: Would increasing the coverage—there are some sectors that are exempt at this point—would that assist, and how would that impact be on addressing the unfunded liability issue?

The Chair (Mr. Norm Miller): Excuse me, Mr. Marshall, if you could bend that microphone a little closer and speak up a bit. They're having trouble picking you up on Hansard.

Mrs. Elizabeth Witmer: I think as far as the issue of coverage is concerned, since that is the prerogative of the government of the day, that's a decision that obviously would need to be made by the government of the day. We really couldn't speak to that.

Mr. Taras Natyshak: Thanks, Chair. At this point, premium rates, you stated, are covering all expenses: benefits claims, operational claims.

Mrs. Elizabeth Witmer: Yes, they are.

Mr. Taras Natyshak: I don't know if I caught the figure where the investment fund, over the last two years, has actually improved and made some money.

Mrs. Elizabeth Witmer: Yes, it has.

Mr. Taras Natyshak: And you've been able to earmark that for—Ms. Witmer, you'd mentioned that there's a fund in anticipation of occupational diseases. Was that always there, or is this a part of the revenue coming from the investment fund? Can you give me some timelines on where the increase in revenue is coming from?

Mrs. Elizabeth Witmer: Sure.

Mr. David Marshall: Mr. Natyshak, the additional reserve for long-latency occupational disease is something that we've added onto the liability of the insurance fund. In other words, it's an amount we have to be able to meet, if you like.

Mr. Taras Natyshak: So there's not a pool sitting there waiting; you've added that as a liability.

Mr. David Marshall: No. We've added the total liability. And what I was referring to, is instead of having to withdraw money at about \$500 million a year to pay our benefits and administration, we've now been able to put money back into the investment fund. We put in about \$150 million a year in the last two years; this year we've already put in about \$500 million—

Mr. Taras Natyshak: Based on returns from the investment fund?

Mr. David Marshall: No. This is based on the premiums exceeding our cash cost. Then anything we earn in the fund, which is close to \$1 billion a year, remains in the fund and can compound. Then you earn interest on that as well.

Mr. Taras Natyshak: So the fund—is it earning about \$1 billion a year?

Mr. David Marshall: Yes.

Mr. Taras Natyshak: An \$18-billion fund has got a—

Mr. David Marshall: Close to \$900-and-some-million a year, yes—\$960 million a year.

Mr. Taras Natyshak: Go ahead, Jagmeet.

Mr. Jagmeet Singh: I just want to finish off on the coverage question. I know it's a government decision whether or not to expand that coverage or not, but just in terms of your assessment, would you be able to provide your opinion on, if it was expanded—not whether we should or not, because you're right, that's a government decision—what would the impact of that be on reducing the unfunded liability? Would it have a significant impact? Do you have an assessment on that?

Mr. David Marshall: We haven't done that analysis, Mr. Singh, but in principle, it shouldn't have any impact because you would charge the new entrants what their costs were to cover insurance, so it's not a case of somehow getting extra money. I mean, to a very small extent, I guess, the administration costs could be spread over more employers, but it shouldn't make a huge difference because we would then get claims and we'd have to charge them a rate that was appropriate for their cost.

Mr. Taras Natyshak: This morning, the Auditor General presented us with her report, and in that she mentioned that in 2009, the investment fund took quite a substantial hit, adding, of course, to the unfunded liability. What percentage of the overall unfunded liability—either in 2008—did that make, and what are the remnants of that in today's time, in real time? How much of that market hit are we still paying down, attempting to pay down, versus the actual, as I see it, liability of benefits? Are we paying liability on the market hit or the liability on benefits forecasted?

Mr. David Marshall: The Auditor General is quite right: It was a bad loss in 2008. But of course, the markets rebounded after that, so in the next three years, we actually kind of came back to par. We recovered that loss and are back to where we were before, and then we're adding new returns over that. So it's not, at the

moment, impacting our liability—our funding ratio, I should say.

The Chair (Mr. Norm Miller): Thank you, and we'll move to the government. Who would like to go? Mr. Dhillon, go ahead.

Mr. Vic Dhillon: Thank you very much for appearing before the committee today. Can you tell us how the funding ratio is calculated and the type of oversight that is employed? Do you see this as being a conservative calculation?

Mrs. Elizabeth Witmer: I do believe it's a conservative calculation, definitely. I'll let Mr. Marshall explain what's going on since he has certainly been involved with this from the time he was appointed to the job.

Mr. David Marshall: Chair—sorry, Mr.—

Mrs. Elizabeth Witmer: Dhillon.

Mr. David Marshall: Mr. Dhillon, the funding ratio is an expression of whether you have enough money to pay the liabilities on the books. So it's expressed as a percentage. How we calculate it is we take the liabilities of the insurance fund—that is, the amount that we are likely to have to pay to workers who are injured already. It doesn't anticipate new injuries. It takes the amount that we have to pay workers today and into the future—and these could last as much as 30 years into the future. We then discount it to see, if we had enough money in the bank today and were able to earn a certain amount of interest, how much money would we need in the bank today. We then look at how much money we do have, and the ratio is then expressed as 50% or 100%. How we calculate it is that we have a team of actuaries and we have a chief actuary who ensures that the estimate of the liability is done according to sound actuarial standards. We also have our external auditors who employ their own actuaries to check our numbers. We also have an actuarial advisory committee when we consult about the proper calculation of our liability. Of course, the asset side is very clear.

I should say there's a slight wrinkle that occurs in all of this because of changes in interest rates, and that is that our employee pension fund—because interest rates have been low, the funding of the pension fund has been inadequate as well. We have to take any deficiency in the pension fund—at the moment it's about \$1.4 billion—and we have to add it to the liability of the insurance fund. So that is another thing we have to recoup, but that's how we calculate it.

Mr. Vic Dhillon: Between 2009 and 2012 there was a decrease of approximately \$500 million for the benefits paid out. How true is it? Does that reflect a decrease in benefits to the worker?

Mr. David Marshall: No, not at all. We've done research that shows that if a worker needed a single day off work—so number of days off work—the worker in 2012 was getting in fact slightly more, even after accounting for inflation, than the worker was in 2009. The difference is really that they were off for fewer days. I have in fact provided the Clerk with a very short exhibit that will really show you that whole dynamic. If you like,

I can take you through that, but it doesn't represent any cut in benefits. It's fewer days off work.

Mrs. Elizabeth Witmer: We also have fewer claims today than before. We have seen a decrease.

Mr. Vic Dhillon: In your annual report, the UFL in 2011 was approximately 52%—no, the funding ratio was 52%. It's been reduced by quite an impressive amount of 5% to approximately 58%, which is about \$1 billion. Can you tell us what steps you took to make such a huge change to the financial situation?

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Mrs. Elizabeth Witmer: Sure. I think we've spoken about some of the initiatives that we have undertaken. Certainly, our proactive approach to return to work and helping workers get back to work more quickly and safely than ever before contributed to a decrease in benefit costs. Our new medical system, as well, has contributed to a decrease in overall costs, although the cost per injured worker has increased. Our investment portfolio, the diversification, has certainly contributed to the success as well.

Mr. Vic Dhillon: What kind of strategies would you say that you employed to increase your investments and assets?

Mrs. Elizabeth Witmer: I would say to you, we took a look at our entire organization. Really, I think our responsibility is to provide the support and the services and the benefits to injured workers when they're injured. I think our primary focus really has been on doing what we can to improve the outcomes for injured workers in helping them get safely and quickly back to work, making sure we have a medical strategy in place that allows them access to the health services that are needed. I think, as a result, everything has followed. But our focus has always been on that injured worker and what we can do to improve their outcome.

Mr. Vic Dhillon: There has been a history at the WSIB of withdrawing money from its investment fund to pay day-to-day expenses. Can you tell us what the WSIB is doing to fix that situation?

Mrs. Elizabeth Witmer: I think you've heard from our president and CEO that the last number of years, since 2011 and now in 2012 and also in 2013, we were able to meet our operational obligations. In fact, we actually have money left over. Instead of the investment fund giving us money for our operations, we now are able to return to the investment fund. This year, that is happening one more time. We're very optimistic. I think we've looked hard to find administrative and operational efficiencies within our organization. We're doing so much more in order to deal with claims and adjudicate those as quickly as possible. All of that is contributing to a positive outcome.

Mr. Vic Dhillon: Thank you. I think my colleague may have—

The Chair (Mr. Norm Miller): Ms. Jaczek.

Ms. Helena Jaczek: Thank you. First of all, I would like to congratulate the board of directors and the management. Having been on government agencies a

couple of years ago, it's certainly heartening to see the progress you've made and also the type of what I would deem collaboration with the ministry, as we heard from the deputy in terms of some of the changes to the legislation that have been made to date.

I'd like to talk a little bit more about the locked-in feature related to the six years and then, in perpetuity, up until age 65 that worker receives benefits. We know we're the only province in Canada that has that feature, and I'm wondering—and it may be to Mr. Slinger—have you analyzed what percentage of workers who are deemed at year 6 to still require benefits? How many go on to be able to return to work beyond that six-year mark?

Mr. John Slinger: This would be a group that is probably 4.5% now, but with the trends in the newer claims, it will be significantly lower. In other words, those cases that lock in right now, those 4.6%, started out in an old system where those things didn't occur in the same way as they do now.

In terms of after the six-year lock-in, that's where we rely on the work that we do with the Institute for Work and Health, and this is where we look at the longitudinal study. And at that point, what we're most interested in looking at is how well they've been able to restore their earnings by looking at CRA data. One of the challenges with return to work is, if you went in at one point in time you could find someone back to work; if you went in the next day they might not be back to work. But if you look at their earnings information, it gives you much better information to really base your analysis on.

Ms. Helena Jaczek: Okay. So my question really is, have you looked ahead based on those numbers—the 4.5%—and have you done a cost-benefit analysis of whether it would be worth it on an ongoing basis to monitor those workers? Obviously there would be costs associated with that ongoing work, versus the potential savings on the benefits side.

Mr. David Marshall: Maybe I can answer.

Mr. John Slinger: Sure, David.

Mr. David Marshall: Perhaps I could answer that. John is so familiar with everything, but perhaps I can give you a bit of context. The big goal is to try to get people back before six years. I think this lock-in provision might have been introduced not to keep bothering workers; six years after an injury, if you can't get back, there's probably not much hope.

Our focus has been to get people back. Now, as some of them reach, as John pointed out, the six-year mark—fewer are reaching that mark. Those who are are better equipped than they ever were before, which is why they don't need as much support. But at that point, we have to estimate what they could earn. John has told us that studies have shown that after that six-year point, adding to what we give them and other work they might be able to find, they are able to get back pretty much 100% of what they were earning before. That's a good-news story.

I think most workers are honest, and they do their best. In some cases, because it's an arbitrary cut-off, you get a

behaviour that when you're approaching the six-year mark, you might be reluctant to find something because you can get locked in and then find it later, and we have seen instances of that. It's probably a good thing to remove, in a sense, this artificial barrier, and then we can continue working with the individuals. But most workers are doing their best.

It wouldn't add anything to our cost, because we would just continue working with them. Indeed, if they are not able to work, we would make a decision, a sort of final determination that this worker probably is not going to be able to get back, estimate their wages and take it there.

Ms. Helena Jaczek: Ms. Witmer did allude to the fact that this sort of decision was up to the government of the day, but obviously we would value your advice. That is really where your opinion—after all, you're so close to the situation. We would value that kind of commentary related to this locked-in provision. If you had your choice, would you prefer to have it removed?

Mr. David Marshall: Yes.

Ms. Helena Jaczek: Thank you. Also, as it relates to one of the questions that related to coverage—and again, Ms. Witmer, you alluded to the fact that it was a question for the government—is there any opinion whatsoever in terms of the fact that we only cover 70% of workers? Have you come to any conclusion, or are you, in essence, neutral?

Mrs. Elizabeth Witmer: It's not an issue that we discuss at all, Dr. Jaczek.

Ms. Helena Jaczek: It is what it is?

Mrs. Elizabeth Witmer: It is what it is, and we work within the boundaries that are established by the legislation.

Ms. Helena Jaczek: In relation to the statement you made that there are fewer claims now than in previous years, can you attribute that to any particular reason? Is it better prevention? Are we seeing fewer accidents? Could you speak about that, and is it in any particular sector?

Mrs. Elizabeth Witmer: Right. Well, I think there are greater efforts being made than ever before in focusing on prevention of illnesses and injuries within the workplace. Of course, we know that there are efforts within the workplaces in order to ensure that safety is first and foremost. So I think as a result of that—certainly, that's one of the reasons for fewer claims. We hope that that will continue and that we can do everything we can, working with the Ministry of Labour, in order to make our workplaces as healthy and safe as can be.

Ms. Helena Jaczek: When you refer to occupational risk, are you referring to, perhaps, the legislation involving firefighters, that there is a presumptive issue around certain disease entities—if they succumb to certain diseases, firefighters are protected? I wasn't quite clear what you meant by occupational risk.

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Mrs. Elizabeth Witmer: Disease and illness.

Ms. Helena Jaczek: Oh, okay. Could you elaborate a little bit? This is part of the unfunded liability?

Mr. David Marshall: Yes, it's part of the unfunded liability. For those diseases that we see incidence of today, we estimate how many more claims might come. The Actuarial Standards Board came up with a standard requiring us to estimate occupational disease incidents that may be accumulating today but just haven't come forward yet.

A simple way to understand it could be, let's say, noise-induced hearing loss. People today are deteriorating in workplaces. They haven't yet come forward, but they're going to come forward. The Actuarial Standards Board has asked that we try to estimate that kind of long latency occupational hazard. We've followed their standards and it comes to about \$1.4 billion at the end of 2012, and we've added that to our liability so that, in a sense, we're not going to get caught out, you know; you might think you're fully funded and then find more claims coming forward.

Mrs. Elizabeth Witmer: Just in response to that question, the number of new claims each year does remain quite high. Just to give you some indication, there has been a significant increase over the last 10 years of almost 20%. That's why it's really important that we do have—

Interjection.

Mrs. Elizabeth Witmer: That's an occupational disease, yes.

Ms. Helena Jaczek: Maybe just once again—because when you hear things like “\$500 million has been saved in terms of benefits being paid out,” I think there could be this concern on the surface that, somehow, workers are not receiving their due. What we've heard today would argue against that. Can we just have that reassurance yet again?

Mrs. Elizabeth Witmer: Well, as I've said, we are allowing the same number of claims as we always have—at about 80%. The number of claims we're seeing is reduced from what we saw before.

However, the difference, I think, as far as our costs are concerned is that we are now more proactive. From the time that a claim is filed, we get to work and we work with that injured worker and we work with that employer to do everything we can in order to provide the medical services that are necessary, if they are, or to get that injured worker back to his or her former place of employment, and if not the former job, to modified work. If that doesn't work out for the more complex, serious cases, then we have the work transition program.

I think we're more creative than ever before, so it's the savings that are accruing because people are able to get back to work more quickly that are contributing to the savings.

I just want to give you one example because I think our back-to-work people are quite creative. There was one situation, it was a truck driver. He was in his mid-50s, and I'll call him John. He was injured and he couldn't drive his truck anymore.

The worker and the employer met with the return-to-work specialist. The return-to-work specialist started

talking about, well, if John can't get back to driving his truck—"John, what is it you'd like to do? What could you maybe do within this operation?" He said, "I've always wanted to learn how to operate a computer."

So John was placed in a program. He received computer training. He's now quite computer literate. In fact, he went back to his old workplace at the trucking business, and he adds a lot of value because he knew the operation, and we've heard from his employer about the value that he adds. Plus, John, who is in his mid-50s—feels pretty confident and pretty good about himself. But we paid for all that training. We did pay for him until his wages were similar to what he received before.

I think that's what we're doing. We're just much more proactive. Our return-to-work specialists are more creative, and we try to encourage the employer to find a place for that employee if he or she can.

Mr. Vic Dhillon: Do we have any more time left?

The Chair (Mr. Norm Miller): You have a couple of minutes in this round, and there will be another round.

Mr. Vic Dhillon: Prior to 2009, the benefit costs were going up—

Mrs. Elizabeth Witmer: That's right.

Mr. Vic Dhillon: —whereas the actual injury rates were going down. What have you done to reverse this trend?

Mrs. Elizabeth Witmer: David?

Mr. David Marshall: Yes. As I mentioned, we have provided this particular chart that I have here so that you can look at it. The Clerk has copies. I don't know if you want to distribute it, but it might help the members to understand.

The Chair (Mr. Norm Miller): Which chart is that?

Mr. David Marshall: It's an exhibit that—did we provide it? Do you want to just give it to the Clerk?

It really helps you understand exactly what you've been asking. Perhaps what I'll do is I'll talk to it because your time is limited. In 1999, we used to spend \$2 billion on benefits, and there were 90,000 claims coming to us.

Mr. Vic Dhillon: In 1999?

Mr. David Marshall: In 1999. By the time we reached 2009, there were only 52,000 claims coming, a 40% reduction. But our costs shot up from \$2 billion to \$3.2 billion. That's a 60% increase in costs. At the same time, the claims were coming down.

That's the first exhibit. You can see here, that's an unsustainable situation. You can't have claims coming down—yes, that's the first chart. You have claims coming down and costs going up. The reason that costs were going up is that workers had inappropriate medical care and very little help going back to work. At this point, by the time we reached 2009, Ontario had the worst record by far of getting workers back to work in all the provinces of Canada.

So you reach that peak of \$3.2 billion being spent on 40% less claims, and, in about 2009, under our chief operating officer, John Slinger, we reorganized the service delivery teams and we focused on getting eligibility

done quickly, getting to claims and medical care better and so forth, which we've talked about.

What you can see is that by the time we reached 2012, we were spending \$2.6 billion. That's actually \$600 million less. This is a more recent number—but \$2.7 billion being spent, a reduction of \$500 million in annual expense, and that is because we have focused on getting workers back to work, better medical care and all the things that our chair has talked about.

At this point in time, I can tell you that we have the best record now in Canada of getting workers back to work at the one-year mark. So when you see that, really, the improvement has been, naturally, less claims, but, then again, better management. We're trending now in the same direction.

If you turn the page, you'll see that after years of losses, we have achieved a surplus of income over expense—you know, about \$900 million a year in losses. We achieved a surplus in 2012, and we are on target to achieve a surplus again in 2013.

If you turn the page again, you'll see what we talked about, where we have been drawing out of the investment fund all those red lines at the rate of \$500 million a year. We're now putting the money back in again, into the investment fund. So these are the impacts of better management of claims.

The Chair (Mr. Norm Miller): And thank you for that. You'll get another round.

We'll move to the opposition again. Mr. Barrett, go ahead.

Mr. Toby Barrett: Thank you, Chair. How many minutes in the second round?

The Chair (Mr. Norm Miller): You have about 15 minutes.

Mr. Toby Barrett: Yes. Thank you for this chart. We see lost-time claims have dropped from 110,000 in the early to mid-1990s down to maybe closer to 40,000 today.

Mr. David Marshall: Correct.

Mr. Toby Barrett: Just a couple of questions. Claims are going down, and that's great. With the number of caseworkers, for example, within the system, how many cases on average do caseworkers carry? And how many caseworkers are there for that matter? I just want to get a feel for that.

1400

Mr. John Slinger: We have about 600, but within that, we have short-term case managers, we have long-term case managers, and then we have some who are engaged in some specialty teams as well. We have average caseloads of probably 25 cases per case manager. They're lower for the short-term case managers and higher for the long-term case managers because the short-term case managers' work is much more intensive with each claim. So those are the caseload numbers.

We have felt quite strongly that maintaining very good caseload numbers—this would compare to 95 to 100, 10 years ago. We feel that to provide the level of oversight, scrutiny and support that you need, you really need to

keep those caseloads lower. In addition, of course, they're supported by nurses in their teams and they're all supported by our 300 return-to-work staff.

Mr. Toby Barrett: So there are also, I guess we can call them caseworkers, in addition—how many nurses and how many return-to-work staff?

Mr. John Slinger: We have about 200 nurses, and we have 300 return-to-work staff.

Mr. Toby Barrett: So the return-to-work—that has been beefed up. I think you mentioned there were additional staff hired.

Mr. John Slinger: Correct. It's pretty much all net new 300 in the area of return-to-work.

Mr. Toby Barrett: So it's 300 new hires there?

Mr. John Slinger: Well, it was a combination of 100 folks who were retrained from other roles and then 200 new to the organization.

Mr. Toby Barrett: Okay. I appreciate the detail on this.

You mentioned short-term cases and long-term cases. What timeline do we look at there?

Mr. John Slinger: We look to move a case from short-term to long-term between six months and a year. It's usually the point at which we believe there may be a permanent impairment and we have to start taking some different action. In fact, we engage a different type of return-to-work person. We have work transition specialists in the later stages of claims, who don't only work with injury employers, but also work with community colleges and a variety of other sources to get workers retrained.

Mr. Toby Barrett: How many, roughly?

Mr. John Slinger: There are 200 of those folks and 100 of the return-to-work specialists—so short-term, 100, and the long-term are 200.

Mr. Toby Barrett: With this number of workers, how does that compare in other jurisdictions, in the West perhaps—I think Alberta has been mentioned in some of our research. How do they do it out there as far as caseworkers, caseloads?

Mr. David Marshall: Mr. Barrett, I should say that after having added extra people, we are still reducing our overall costs in administration. The reason we keep this kind of focus is that we're in a transition. We're trying to make sure that this major task of getting people back to work earlier is given full attention. So we keep very tight control over our administration expenses and, in fact, they're coming down overall.

In terms of Alberta and other provinces, they've been operating more or less in this fashion for quite some time. So they've had an opportunity to optimize—we're catching up—

Mr. Toby Barrett: So it's Alberta and—what was the other province?

Mr. David Marshall: British Columbia also has a good program; in fact, many other jurisdictions do.

Mr. Toby Barrett: With respect to prevention, that has been taken away from WSIB?

Mrs. Elizabeth Witmer: Yes, that's now handled by the Ministry of Labour, and there's a chief prevention officer. Although, we sit on a council, so we still have a responsibility, as well, to help keep workplaces healthy and safe.

Mr. Toby Barrett: I used to work very closely with IAPA, Industrial Accident Prevention Association, in Kitchener–Waterloo. We would have an annual day there. As the president of our local Farm Safety Association—hospital safety, construction safety, mining safety: Have those organizations all disappeared?

Mrs. Elizabeth Witmer: No, they are still around, although many of them have amalgamated and some of them have different names.

Mr. Toby Barrett: And they're under the ministry?

Mrs. Elizabeth Witmer: They're under the Ministry of Labour now.

Mr. Toby Barrett: I see. How much funding would they get from the ministry to help?

Mrs. Elizabeth Witmer: Well, first of all, the prevention function at the Ministry of Labour is funded by the Workplace Safety Insurance Board—

Mr. Toby Barrett: Through WSIB, yes.

Mrs. Elizabeth Witmer:—so it's the premiums that we are paid by the employers that are then transferred to the Ministry of Labour for the prevention function.

Mr. Toby Barrett: And they get roughly the same amount of money in their different forms?

Ms. Cynthia Morton: The commitment was that when they were transferred to the Ministry of Labour they would maintain the same level of funding that they had received when they were originally accountable to the WSIB. Prevention, like all health and safety funding, is funded from workers' compensation, and that's a statutory provision.

Mr. Toby Barrett: Okay. One other quick question. I know there was some discussion of occupational disease and what kind of claims may be coming in the future. Hearing loss: I know I worked at American Can when I was 18; everybody I worked with, we don't hear very well now. Nobody told us to wear earplugs in the 1960s.

How do we deal with this, with ailments that occur—we see them as people age—that may or may not be related to work they did 40 years ago? How do we measure that? I know with asbestos and some of that, there have been some lawsuits to give us some direction, but how are we going to deal with some of this?

Mrs. Elizabeth Witmer: That's right, and think of the young people today who have music all the time.

Mr. Toby Barrett: Yes.

Mrs. Elizabeth Witmer: I will let Mr. Slinger address that, because I will tell you that this is an issue of interest and concern to us. I know that we have taken a look at how we can best address it.

Mr. John Slinger: The chair had mentioned that occupational disease claims have continued to go up while other injury claims have gone down. One of those is noise-induced hearing loss. We do compensate for noise-induced hearing loss, and we have specific criteria that

set out the kind of noise exposure that's required over what period of time. We obviously have hearing tests administered, and we get medical opinions.

Obviously, if a worker is found to be entitled—of course, as you probably know, this often goes back 20, 30, or 40 years in the workplace, when there was really no protection, and those kinds of exposures are sometimes difficult to document. Sometimes they're easy to document, when you know the mill they were in or whatever, and the length of time, and usually the hearing loss tests reveal a certain pattern that is very consistent with being noise-induced.

Obviously, you have to look at other potential factors. If, in fact, you rule those out, you are left with injured workers who are entitled to receive benefits. The form of benefits generally would be a permanent impairment award, which is a non-economic loss award, ordinarily a lump sum, and also, obviously, health care. That health care is mostly in the form of hearing devices to assist in their hearing. We probably receive 3,000 new noise-induced hearing-loss cases every year.

Now, those wouldn't show up in your lost-time injuries. We just talked about the reduction in lost-time injuries. These are generally not lost-time injuries. These are cases that often come years after the exposure and, in many cases, years after the individual worker left the workplace.

Mr. Toby Barrett: Certainly.

The Chair (Mr. Norm Miller): Thank you. Mr. McNaughton?

Mr. Monte McNaughton: I was just going to add to that. I'm still relatively new here at Queen's Park, but now I know why MPPs are hard-of-hearing: because of question period. I'm sure you get 107 claims per year from MPPs.

I just wanted, in closing, to ask a couple of questions. One, how many employees work for the WSIB?

Mrs. Elizabeth Witmer: I know it's around 4,000 employees at the current time. As you know, we have the regional offices as well. Your closest one, I guess, would be London.

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Mr. Monte McNaughton: London.

Mrs. Elizabeth Witmer: And then we have one in Windsor as well—Thunder Bay, Timmins, Sudbury, Sault Ste. Marie, North Bay, Ottawa, Kingston, Hamilton, St. Catharines.

Mr. Monte McNaughton: Great, right across the province.

Mrs. Elizabeth Witmer: Right across the province, yes.

Mr. Monte McNaughton: Okay.

Mrs. Elizabeth Witmer: Although I would say to you that most of the claims now—I mean, it's not walk-in; people are filing them differently than before.

Mr. Monte McNaughton: Okay. I have no other questions. Thanks.

The Chair (Mr. Norm Miller): Very well. Then we'll move on the NDP. Mr. Singh.

Mr. Jagmeet Singh: Thank you once again. One of the issues that's come up when we were being briefed and something that I've noticed is that Ontario premiums, in terms of the WSIB, are quite high. I'm not sure if this is correct: Are they the highest in Canada or are they—the absolute highest or one of the highest?

Mr. David Marshall: One of the highest.

Mr. Jagmeet Singh: One of the highest.

Mr. David Marshall: I believe Nova Scotia is higher than ours, yes.

Mr. Jagmeet Singh: Is there a particular reason that you can ascertain as to why our premiums are higher than other provinces? Is there a population issue? Well, Nova Scotia's the highest, so that's not the issue.

Mrs. Elizabeth Witmer: I think it's one of the reasons I pointed out in my opening comments, and that is that one third of the money that employers pay us goes towards our unfunded liability. Other jurisdictions, except for a few, do not have an unfunded liability. If we had no unfunded liability, you would see our premiums come down by at least a third.

Mr. Jagmeet Singh: At least a third.

Mrs. Elizabeth Witmer: Yes.

Mr. Jagmeet Singh: This is a bit of an accounting question, but I want to put this to you. The six-year period, and somebody gets locked in after that: I have a hypothesis on this and I don't know if this is true, and that's why I'm asking for some guidance. I'm assuming that the reason why that initially began is there must have been some trend, that if someone was disabled or was receiving disability or some compensation for six years, the cost of reassessing again and again—it was too expensive to reassess, and generally speaking, if someone was impaired for that long or disabled for that long, chances are they were going to continue for the rest of their life.

Does the impact of that being a guarantee, that after year 6 or year 7, you're immediately guaranteed—does that result in an accounting mechanism where it looks a lot worse than it really is, whereas other jurisdictions that don't have a lock-in period—but it turns out to be the same thing anyways that after six years, though they continually assess that person, that person, that individual, ends up needing income replacement or compensation until they're 65 anyway, but it's just because it's not locked in that it doesn't show up on the books the same way; whereas in our province, it's just because it's locked in, so the actuaries, when they punch that in—it looks like it's a bigger cost than it really is. That's my hypothesis. I don't know if that's exactly right or not.

Mrs. Elizabeth Witmer: Mr. Marshall will respond to you, Mr. Singh.

Mr. David Marshall: Mr. Singh, no, it's not just an accounting issue. As you say, the other provinces also have some workers who are going to be on claim for a long time. Each worker's future cost, then, is estimated by the actuaries.

What we have seen, though, as we compare individuals who are at four years after injury, five years after

injury, with provinces that don't have a lock-in—we notice a drag feature happening to us. In other words, people at about four or five years tend to hang in a bit longer to try to get to that six-year mark. That's what's causing the extra cost—not everybody, but it does happen; and in our case, if they do get a job after six years, we can't reduce that cost.

We have auto workers who have gone back, earning more than they were when they were injured and continuing with our benefits because they can't be changed, and then continuing to earn. In another province, if that happens, then of course the benefits are adjusted. So it does have real-world cost impact.

Mr. Jagmeet Singh: What about the accounting side of it, though? Just the fact that someone's being locked in when the actuaries assess the cost of the system in Ontario—is that lock-in mechanism disproportionately weighing in on a cost where it's not as much of a cost, just on that accounting level? I understand that there are certain folks who in other systems maybe would have gone back to employment and not received any benefits. I understand that situation. But in general, just simply by the fact that there's that lock-in, does that negatively impact the accounting process, if you know what I'm saying?

Mr. David Marshall: I know what you're saying. No, it doesn't. I mean, the fact that it's locked in—it has to be estimated. So you can't, if you like, estimate any reduction. You have to estimate what it is. So it has no accounting impact.

Mr. Jagmeet Singh: Okay. So you've addressed this, and perhaps you can provide, maybe, an explanation. On a colloquial level, without statistics, we as MPPs often feel—and I speak for my colleague and I know for myself as well—that there seems to be a trend that folks who are coming to our offices are telling us that there seems to be stricter guidelines or that they're not getting approval. Folks who work on the advocacy side are telling us that it seems that the WSIB is denying more claims. I know that you've stated that your rate is 80% and it hasn't changed. Is there any reason that you could come up with that explains why this perception exists, that people are perceiving that there seems to be some sort of either more stringent application criteria or they're being rejected? They feel that that's going on. Perhaps there might be some explanation.

Mrs. Elizabeth Witmer: Mr. Slinger?

Mr. John Slinger: I think when you look at exhibit 1 that was produced and you see where costs were going relative to injuries—I think our chair referred to it as, “Costs were out of control.” I think there was a real sense that we would pay for everything. I would say that as we have been able to reduce our case loads and specialize our staff and get access to better health care and earlier assessments, we are finding that there are circumstances where not all of a worker's problem is related to the work injury. I think that as that green line grew through to 2009, I would say there were expectation levels on the part of representatives that we would accept almost

anything. I would say that we are now more disciplined and provide more scrutiny and ask for more medical evidence than we ever have. Now, to me, that's just doing the jobs we should have been doing all along, and that's an administration which obviously has to take into account the important balancing need between employers and the use of their money and an appropriate way to fund work-related injuries, and injured workers' need to feel protected on the job.

We were in serious, out-of-balance mode for those 10 years. As we've brought that back into balance, there may be some worker advocates who have been used to having certain things claimed and allowed without asking, and now that isn't the case. We are providing more scrutiny and, quite frankly, it's the difference of going from a totally non-sustainable model to one that now is much more consistent with the models that operate in every other province.

Mr. Jagmeet Singh: My colleague has a question, or a few.

Mr. Taras Natyshak: Yes, a couple. Appeals have gone up since 2008, annually. The data that I have is 8,900 in 2008 to 11,400. And the granting of hearing those appeals has gone down from 10,000 in 2008 to 4,000 in 2011. Is that close to—do you have figures similar to that?

Mr. John Slinger: The appeal volumes have gone up, yet the reversal rate has gone down. That is correct. In other words, the appeals area—I'll just let you know I don't operate the appeals area; I'm the operations guy. We have a group of about 80 of our most senior decision-makers who are in our appeals area and they deal with the appeals.

Mr. Taras Natyshak: So we know that appeals have gone up—

Mr. John Slinger: But the reversal rate has gone down. In other words, they're allowing at a lower rate than they did before.

Mr. Taras Natyshak: They're allowing?

Mr. John Slinger: Less appeals.

Mr. Taras Natyshak: Less appeals?

Mr. John Slinger: Correct.

Mr. Taras Natyshak: Mr. Marshall, you had said that there are sometimes auto workers who will return to work under a current claim and they will make more money than they were previously. Do we have statistics on how many people actually—how many injured workers? I would like to know. Is it a dozen, is it a baker's dozen, is it 100 or is it 1,000? How many workers do we know who currently have claims, who have returned to work and actually make more money now, post-injury, than they did prior?

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Mr. David Marshall: So, Taras, of course we don't follow them, because that's the law. I mean, after six years, they continue with their benefits. We don't ask them to declare to us what they're earning. We do see examples of it. Employers bring us examples and ask

why we are continuing wages when they are back to work.

On the other hand, as Mr. Slinger pointed out, the Institute for Work and Health has tracked a group of workers after they've been locked in and they find that they're replacing their pre-injury income, even compared with those who are not injured, to an average of about 105%. So obviously we would provide them, depending on when they were injured and what the law was at the time, with a 90% replacement if they were judged to be fully incapable of working, or 85% more recently. Then they're able to earn some more.

In fact, there are groups of workers, according to the Institute for Work and Health's study, that are actually earning 126% of what the non-injured—

Mr. Taras Natyshak: I would like to meet these workers. I have yet to come across one in my day-to-day—

Mr. David Marshall: Yes, and it was a pretty wide-ranging study.

Mr. Taras Natyshak: Do you have statistics on injured workers who have gone through the process, from employment, fully employed, injured at work, made application for benefits, then subsequently denied benefits? Do you know how many of them who have been denied benefits under WSIB then fall on to social assistance rolls? Do we track them on to where they go next? What percentage of those who are denied immediately go right to social assistance?

Mr. David Marshall: No, we don't track them. But what I can tell you is that we've instituted a quality control process in which our chief statistician takes samples every quarter of our eligibility decisions. We have discussed with our external auditor in terms of the proper procedures and quality of the sample. We find that the accuracy of our eligibility decisions as they are redone and compared is about 95% or 96% accuracy. Given that this is a judgment situation, we do our best to make sure that our decisions are fair to workers.

Mr. Jagmeet Singh: Just a couple of quick questions, and I welcome my colleague to jump back in. With respect to the unfunded liability, do you have a breakdown, or can you just estimate what the percentage is in terms of the source of it? What percentage of it is due to investment, if there's any residual investment crash from the 2008 period? What percentage of it is based on having to estimate the costs of someone who's going to be locked in? Do you have a breakdown, percentage-wise, of that cost?

Mr. David Marshall: Yes, we do. What might help: If I were to say that the liability itself is on one side of the balance sheet, if you like, and then the assets on the other. So if your assets grow or drop, we know that movement, obviously, in a sense, if you're saying if we made a loss. The composition of the liability itself—we have a very detailed breakdown.

It might interest you to know that there are over 100,000 workers who we are paying and helping who were injured before 1990. So we have the various groupings as to when the legislation changed, which

workers are covered under which kind of benefit scheme and what the liability is for those workers. So that's available.

Mr. Jagmeet Singh: And that's available.

Mr. David Marshall: In fact, our chief actuary makes a report every year and shows that breakdown.

Mr. Jagmeet Singh: Okay. Perfect.

And I have a question about consolidation, just if you're able to answer this question, if you're not—my perception of the question—and some provinces have decided to consolidate, some have not. I know Ontario, obviously, has not. Just to lay to rest any concerns about it—or in the future, whatever political parties decide to do or not—just to provide some sort of objective basis for a decision for why to do it or why not to do it, my feeling on this is that keeping WSIB not consolidated, keeping it separate from the province's balance sheets, perhaps takes away some of the pressure that would fall on the government, to say, "We need to reduce the benefits so that we can reduce the deficit, so that it looks like our books not in such a deficit," if the program is not running in a surplus.

I feel that the danger of that type of consolidation will result in, perhaps, a negative impact on the benefits received by the people who are being served. Do you have any comments on that assertion, one way or the other? And if you don't, you don't.

Mr. David Marshall: Not really, Mr. Singh. I guess the government has to decide that.

Mr. Jagmeet Singh: So, in general, in the scheme of the WSIB, like any insurance, you have—in the insurance industry, you call it a loss ratio. You have premiums coming in; you have claim costs going out. At this stage, the premiums are covering the costs, plus an investment income that's derived from the amount of funds that are kept in. That's the formula that you're working with?

Mr. David Marshall: Yes.

Mr. Jagmeet Singh: Now, I see that you've exceeded the benchmark. You're supposed to achieve the 60% by 2017. You have achieved that now. Will that accelerate then the 80% benchmark, which is set for—the fact that you've already received it now, two years ahead of time?

Mrs. Elizabeth Witmer: Well, I think we have to be really very careful because the 60% was much easier to achieve than the 80%. If you remember that Arthurs referred to all of this as the tipping point—we could reverse all these gains quite quickly. It is going to be challenging to get to the 80%. This was really the simple part of the journey.

Mr. Jagmeet Singh: And what are the factors—

The Chair (Mr. Norm Miller): Thank you. You're out of time. So we'll go to the government, and who in the government? Mr. Dhillon, go ahead.

Mr. Vic Dhillon: Thank you very much. Can you talk a little bit about the reintegration model, and maybe explain how it has impacted the return-to-work outcomes?

Mr. John Slinger: Obviously, there are very significant changes in work reintegration. I guess one of the mistakes made in the past was in outsourcing a return-to-

work function to labour market re-entry providers. I think we really took our eye off a core skill, and I think we found that either we didn't manage the providers very well or the providers didn't perform very well. A combination of things resulted in large costs and poor outcomes. So when we began to make this change in late 2010-11, it was a matter of saying, "We need that core skill within the organization. We need to recruit and train the best people possible, and we can't rely on somebody else to do it for us." We would find the programs would be long, and that of course meant more fees and higher fees to the providers, but the results were poorer.

We're now spending less in overall costs, but getting much better results. It really starts with the notion that you should be very practical in terms of the appropriate training, and you shouldn't give up on the injury employer. We have found a lot of gains simply by working with injury employers, retraining to return to work with that employer and using that basic leverage to get workers back. Even where we've had to go outside the injury employer, we've been more successful because our training programs tend to be more practical, geared to employment.

So we learned some lessons. We think that bringing it back inside has been important, and then we found different things to do. We have some special initiatives for younger workers, some special initiatives for older workers, which also help either end of the continuum because both of those groups of injured workers pose special challenges.

Mr. Vic Dhillon: How would you respond to the assertion that the return-to-work programs are more focused towards the unfunded liability and less towards getting the employee back to work?

Mrs. Elizabeth Witmer: Well, I can tell you personally, based on what I've seen, I do believe there is a greater commitment on behalf of all the people who are employed by the WSIB in getting workers back to work safely and as quickly as possible. At the end of the day, I would say to you—and I met with injured workers this morning and people who advocate on their behalf—people do want to get back to work. A lot of who they are, their self-esteem, is tied to the workplace, and they want to be able to continue to provide for themselves and for their families. I think our efforts in the last few years have really focused on that, but as a result of focusing on that, that has also impacted our unfunded liability and helped to bring our costs down.

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Mr. Vic Dhillon: Mr. Singh partially asked a question about reaching your targets earlier. Do you think that WSIB will be able to reach full sufficiency by 2027?

Mrs. Elizabeth Witmer: Based on the financial analysis that we have done—and I would say to you that that's very comprehensive; I've been really quite impressed at all that does happen—we do anticipate that we will achieve that goal based on the information that we have today.

Mr. Vic Dhillon: And you're confident, based on the experience that you're gaining from the new return-to-work techniques and education, that you will gain benefits and that, the way it looks now—

Mrs. Elizabeth Witmer: Yes, exactly.

Mr. Vic Dhillon: —you're on your way to reducing the costs and, obviously, increasing the benefits to WSIB?

Mrs. Elizabeth Witmer: Well, as I say, based on the actions that we're taking today and how we operate the WSIB, we are confident that we will be able to achieve those goals, both in 2022 and 2027.

Mr. David Marshall: If I may, Mr.—

Mrs. Elizabeth Witmer: Dhillon.

Mr. David Marshall: —I just want to put in context what the chair mentioned about the challenge at hand. We were about 55% funded, so to get to 60% is 5%, but to go from 60% to 80% is 20%, four times more difficult. That's really what we're talking about in terms of we've only just begun.

The Chair (Mr. Norm Miller): Ms. Jaczek?

Ms. Helena Jaczek: Yes, thank you. You mentioned that there will be no premium increase in 2014. Have you looked beyond that in terms of premium increases to assist you to reach your sufficiency goals?

Mrs. Elizabeth Witmer: Well, we have to make sure that we, obviously, balance the books each year, so any premium increase that we would introduce would be based on our ability to not be able to balance the books. We hope, in the future, in the next few years, that we can do that.

Ms. Helena Jaczek: So nothing is on the horizon beyond 2014.

Mrs. Elizabeth Witmer: No. You really can't predict beyond the one year, because we don't know what will happen, but we were pleased that, as a result of the fiscal accountability and some of the changes, we are now balancing our books and we didn't have a premium rate increase for 2014.

Ms. Helena Jaczek: Is there anything that we, as the current government, can do to help? Is there any other recommendation you might make to us in terms of assisting you, in terms of legislative change?

Mrs. Elizabeth Witmer: I'm not going to make any recommendations.

Ms. Helena Jaczek: We always like to listen.

Mrs. Elizabeth Witmer: I know that, Dr. Jaczek. No, do you know what? I feel very encouraged, I would say. I've been at the board now, I guess, for a year and a few months. I am very encouraged by the leadership that we've seen from Mr. Marshall and people like Mr. Slinger. We have a very dedicated, hard-working staff, and I think everybody is motivated by the goal of helping the injured worker get back to work. We realize that, in some cases, that's not possible, but certainly we've had some very positive outcomes, and I'm very encouraged.

I think that the return-to-work staff that we have are a very passionate, committed group of people. I've told

you about John, but I could tell you of many other stories where people go beyond what is required just to help that individual get back to either the original workplace or some other employment where they're getting the same salary or more than they had before.

Ms. Helena Jaczek: That's it.

The Chair (Mr. Norm Miller): We're all set, then. I believe that's it for the questioning.

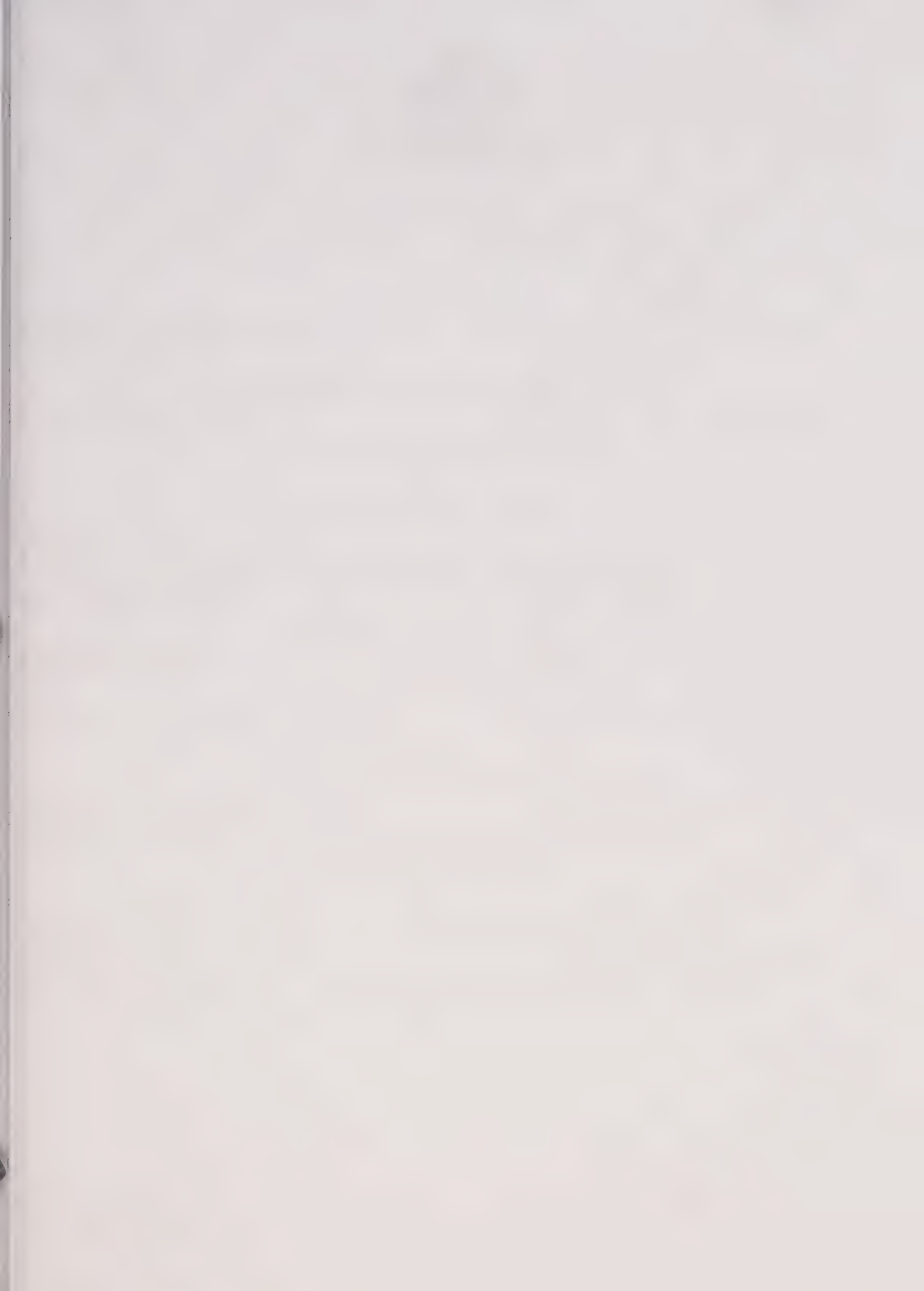
Mrs. Elizabeth Witmer: That's it, is it?

The Chair (Mr. Norm Miller): Yes. Thank you for coming before the committee. It's appreciated.

Mrs. Elizabeth Witmer: Thank you very much, Mr. Miller and members of the committee. We have appreciated the opportunity to share the good news with you about the improvements we've made.

The Chair (Mr. Norm Miller): Thank you. We are going to go into closed session now to discuss the recommendations.

The committee continued in closed session at 1437.



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Second Session, 40th Parliament

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Deuxième session, 40^e législature

Official Report of Debates (Hansard)

Wednesday 9 October 2013

Journal des débats (Hansard)

Mercredi 9 octobre 2013

Standing Committee on Public Accounts

2012 Annual Report,
Auditor General:
Ministry of Health
and Long-Term Care

Comité permanent des comptes publics

Rapport annuel 2012,
vérificateur général :
Ministère de la Santé et des
Soins de longue durée

Chair: Norm Miller
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 9 October 2013

Mercredi 9 octobre 2013

The committee met at 1231 in room 151 following a closed session.

2012 ANNUAL REPORT,
AUDITOR GENERAL
MINISTRY OF HEALTH
AND LONG-TERM CARE

Consideration of section 3.08, long-term-care home placement process.

The Chair (Mr. Norm Miller): Okay. I'll call the committee to order. This afternoon, we're looking into section 3.08 of the 2012 annual report of the Auditor General, long-term-care home placement process.

We have a number of representatives here. Maybe I'll start by getting you all to introduce yourselves for Hansard, others here and the committee members, please. You have up to 20 minutes to make a presentation, and then we'll go to questions.

Mr. Saäd Rafi: Thank you very much. My name is Saäd Rafi, and I'll start with opening remarks. I'm the Deputy Minister of the Ministry of Health and Long-Term Care. Then Monsieur Joly will also make remarks, and we'll take it in the time allotted.

The Chair (Mr. Norm Miller): Sure, good. Maybe we could have the others introduce themselves.

Ms. Catherine Brown: Catherine Brown, assistant deputy minister of health system accountability and performance at the Ministry of Health and Long-Term Care.

Mr. Richard Joly: Richard Joly. I'm the CEO for the Northeast Community Care Access Centre.

Mr. Gordon Milak: Gordon Milak. I'm the CEO for the Waterloo-Wellington Community Care Access Centre.

Mr. Don Ford: Don Ford. I'm the CEO of the Central East Community Care Access Centre.

Mr. Daniel Burns: I'm Dan Burns. I'm the CEO of the Ontario Association of Community Care Access Centres.

The Chair (Mr. Norm Miller): Thank you.

Mr. Saäd Rafi: So I'll start by saying thanks for the opportunity to address the Standing Committee on Public Accounts with respect to the Auditor General's report on the long-term-care home placement process. Forgive my back; we're a little cramped at the table.

With me is Catherine Brown, who has just introduced herself and her affiliation, as well as others. Richard will be making a presentation on the long-term-care home

placement process, and he, with his colleagues, will also be available to answer your questions.

I'd like to take this opportunity to thank my colleagues from the Ontario Association of Community Care Access Centres for working with the ministry to improve the long-term-care home placement process. My appreciation also goes to them for helping Ontarians access important health care services in their communities every day.

We thank the previous Auditor General, Jim McCarter, for his report and appreciate his advice to strengthen the long-term-care home placement processes in Ontario.

I'd like to perhaps just deviate from the script for a moment and recognize and welcome our new Auditor General, Bonnie Lysyk. I'm sure we're going to see a lot of each other in the near future, Bonnie, and it was good to introduce ourselves.

The ministry is fully committed to continue working closely with our key partners on improving the placement process for Ontario's long-term-care homes. Let me start by setting the legislative context. The ministry is responsible for the development of legislation, regulations, standards, policies and directives for long-term-care homes, including rules for placement into a long-term-care home. The ministry is also responsible for the licensing and inspections of those homes.

The legislation governing long-term-care homes includes several critical principles, including the principle that access to a bed is based on assessed need while also respecting the individual's preferences.

The province's 14 community care access centres are designated as placement coordinators under the legislation. Placing more than 25,000 people every year in long-term-care homes based on their needs and preferences is a complex system, and for the most part, it works well. However, as with any system, there is always room for improvement.

The auditor's report laid out four key recommendations on how to improve the system. I'm pleased to report that, working together, the ministry and the CCACs have substantially implemented all of the Auditor General's recommendations.

With respect to the first recommendation, my colleague Richard Joly will speak to the actions that the CCACs across Ontario have taken.

In response to the second recommendation, the ministry agrees fully with the auditor that in order to mitigate the growing demand for long-term-care beds and, more importantly, to reflect the preferences of seniors, the

ministry should enhance care in the community. Indeed, the ministry's strategy is to support seniors in their own homes for as long as possible. It's also why the government's Action Plan for Health Care commits to provide the right care at the right time and in the right place.

Enhanced community alternatives not only align with seniors' wishes; they are also one of the best ways to reduce the demand for long-term-care beds and thus manage growing wait-lists.

As a result, for some years now the government has been expanding home care and community support services for seniors. The 2013 Ontario budget included an additional 6% investment in home care and community services. This investment builds on previous investments that saw community funding increase by 25%, or \$864 million, between the years 2008-09 and 2012-13.

These community investments are aimed at reducing wait times for nursing and personal support services. They also enhance community services for people with complex conditions that place them at risk of hospitalization, alternate levels of care or premature institutionalization.

In addition to these community initiatives, the government announced funding in January 2013 to create up to 250 new convalescent care beds in long-term-care homes to improve access to restorative care for older Ontarians; 199 of these beds are already in operation and the remaining 51 or so will come into operation by the end of the year. This expansion is expected to provide services to 1,500 more seniors annually.

We are seeing positive results from these initiatives. The total number of clients on wait-lists for long-term-care home beds has been reduced by 17% since 2010, indicating that more seniors are receiving care in their communities.

With respect to providing better information, the ministry is currently updating the health care options web portal to provide clearer information about access to and eligibility for long-term-care home placement, home care and other community services for seniors and their caregivers. The refreshed site is planned to launch in the next few months.

As for the final recommendation, the ministry is committed to greater transparency and accountability in the system's performance.

Over the past six months, the ministry and the OACCAC have been working together to enhance the collection and reporting of long-term-care home placement data. In the coming months, this work will expand to develop a reporting solution so that the ministry and its partners can better track key placement indicators, such as the time between a person's application for admission to a long-term-care home and the CCAC's completion of the appropriate assessments.

I want to assure the committee that the ministry is fully committed to strengthening the long-term-care home placement process in Ontario to support the needs of residents and their families. We're also committed to implementing the Auditor General's recommendations.

The report's analysis and recommendations have helped us to improve the system to ensure that it is performing at its best at all times.

Once again, I'd like to thank the leadership at the OACCAC and the CCACs who have been our committed partners in working to improve the placement system.

Thank you for your attention, and now I'll turn to Richard for his remarks.

Mr. Richard Joly: Thank you, Saäd. I'd like to thank the committee, first of all, for having us today. Good afternoon, everyone. C'est un plaisir de vous adresser la parole aujourd'hui. No, I will not do all my remarks in French and English. It would take a bit too long, but thank you for having us.

The three CCACs represented here today participated in the Auditor General's review of long-term-care home placement in Ontario. So while I'll be delivering a few opening remarks, we are all prepared to respond to your questions here today.

The process of moving into a long-term-care home, or supporting a family member through the process, is one of the most emotional and difficult transitions a person can make in a lifetime.

As Ontario's placement coordinators, CCACs take this responsibility seriously, and our employees on the front line are well prepared for their role. Known as care coordinators, they are all regulated health care professionals—nurses, physiotherapists, occupational therapists and social workers—who have additional specialized training and expertise in health system navigation.

Our care coordinators take great care to and pride to explain the placement process to patients and their families; help them to identify their needs and preferences; explore all their care options; and ensure that they understand their rights.

So let's run through the process quickly. To determine eligibility for long-term-care home placement, our care coordinators complete comprehensive functional, cognitive and behavioural assessments to determine each person's capacity to make these types of life-changing decisions. We work with family physicians to obtain a health assessment and medical history and with other care providers to assemble all relevant health information.

We help families identify the homes they wish to apply to and provide advice on the things they might wish to consider in choosing a home, including how long they have to wait for a preferred bed. We encourage applicants and their families to visit prospective long-term-care homes in advance and speak with the staff and residents to see if that home is the right fit for them.

Once a person or a family has selected one or more long-term-care homes, the assessment information is forwarded to each of the homes on the list so that they can determine if they have the staffing and physical facilities to provide safe and appropriate care for that individual.

1240

If the home accepts the application, our care coordinators determine each individual's priority on the wait-list, based on the criteria outlined in the regulations under the Long-Term Care Homes Act.

It is important to note that while people wait for placement, CCACs continue to provide ongoing monitoring and home care services necessary to keep these individuals safe at home.

When a bed does become available in their selected long-term-care home, we immediately notify the family and then provide updated assessment information to the home, identifying any changes in the person's condition, to confirm that the home is still able to provide the needed care.

If a person agrees to move into a long-term-care home that wasn't their preferred choice, they also have the right to keep their other choices open and remain on the wait-list to transfer at a later date.

While guided by an extensive legislative and regulatory framework, the long-term-care home placement process is ultimately designed to ensure that people get the right care in the right place at the right time.

But it is also a complex and often very heartbreaking process. How do you fairly balance the needs of a frail senior with Alzheimer's who is at risk of wandering, with those of a couple who have spent the last 60 years together, with those of a Russian-speaking senior wishing to spend his remaining time with people of his cultural heritage? All three may be waiting for the same type of bed in the same long-term-care home, close to their family and friends.

The purpose of the Auditor General's review was to assess whether the long-term-care home placement processes at the North East, Central East and Waterloo Wellington CCACs were effective, efficient and consistent.

We were very encouraged by the Auditor General's finding that CCACs overall were managing the process well. In fact, since the report was released, we've worked closely with staff at the Ministry of Health and Long-Term Care and with our colleagues within the CCAC network in Ontario to act on the specific recommendations for improvement directed at CCACs in the province.

You do have our report summarizing the progress we've made to date, and outlining the remaining work to be done.

I'd like to take a few minutes to highlight some of what we've accomplished.

The North East CCAC was one of the first in the province to publicly release wait times for the long-term-care homes in our region. While just one tool, this level of reporting has been extremely beneficial in helping families choose the homes that they wish to apply to and understand how long they may have to wait.

Starting this month, I'm pleased to say that all 14 CCACs will publish long-term-care home wait-list reports, using the same wait-list metrics across the prov-

ince. We felt it was important that the information provided should be the same across the province, as it is not unusual for people to consider homes across CCAC regions.

CCACs have universally adopted an enhanced online information referral system called thehealthline.ca, which can be used by our staff, health providers and the public at large to identify services and resources in any community across the province. The system provides in-depth information about long-term-care homes and will be one of the places where wait-time information is made publicly available.

We're also process of implementing a province-wide electronic referral system to long-term-care homes. Through the e-referral process, homes are alerted when an applicant chooses their specific home, and all of the relevant assessment information is made available to them securely online.

This new e-process is helping long-term-care homes respond to applications more quickly, and is contributing to patient safety by ensuring that all patient information is available in one place.

Finally, this November, all 14 CCACs will have common protocols in place to allow for peer audits on our placement process, to ensure that we are compliant with the regulations and are administering the placement process fairly and appropriately.

Just a couple of comments in closing that may surprise you: The overall number of people waiting for long-term-care homes in Ontario has actually decreased. One would say, "Why?" Because we can now provide enhanced levels of support at home as well as access to new models of care, like convalescent care programs and assisted living programs. The people who are moving into long-term-care homes are frailer and have more complex needs, and they're actually living in long-term-care homes for shorter periods of time. Because of our collaborative efforts with our acute care partners, there has been a significant reduction in the number of patients moving directly from hospital to long-term-care homes. These are very positive trends.

That said, we recognize that moving into a long-term-care home is one of the most difficult transitions that people make in their lives. As CCACs, we remain committed to providing compassion and support to patients and their families throughout the placement process.

I thank you for your time this afternoon. If you have any questions, I could answer or my colleagues could answer. Thank you.

The Chair (Mr. Norm Miller): Very well. Thank you for that presentation. We'll go to the opposition first. You have up to 20 minutes, and you'll have a couple of rounds of close to 20 minutes. We'll start with the opposition. Mr. Barrett?

Mr. Toby Barrett: Thank you, Chair. Thank you, everyone, for explaining some of these things for our committee—

The Chair (Mr. Norm Miller): Excuse me, Mr. Barrett, could you move your microphone?

Mr. Toby Barrett: Yes. Thanks again for coming out. We realize we're here and why an audit was conducted by our Auditor General: Since 2005, there has been an 85% increase in the number of people waiting for long-term care, and there has only been a 3% increase in long-term-care-home beds.

In our package, we were given a news release—I think it was January of this year—from the ministry. I will just quote: “The McGuinty government has created over 9,200 new long-term beds since 2003.” I don't have all the numbers. Is that the 3% that the Auditor General is referring to, the creation of 9,000-plus long-term-care beds? I think my questions are directed probably to the deputy minister or the assistant deputy minister.

I guess my second question—I have the ministry figures: 9,200 new long-term beds since 2003. The question on my mind is, how many new long-term-care beds were built before 2003, say, by the previous government? I've got the figures for the McGuinty government. I just wonder how this squares with only 3% being built, which I assume is part of the reason why we have wait times, but we know there are other reasons.

Mr. Saād Rafi: I'll start generally by saying that I think the focus has not just been about building beds. Part of the reason behind wait times, of course, would be demand against the number of existing beds. I would note, parenthetically, that in the last few years the number of people on wait-lists—as has been referenced by myself and Richard—has come down, in the last two or three years, actually. Some of that is also due to the investments being made on the community side of things.

In the past, I think people saw long-term-care homes and those beds as a different place to go than they do now. They're coming in with more frail conditions because they're staying at home longer and longer.

I'll have to get the number of beds built pre-2003; I don't have that with me.

Mr. Toby Barrett: We're here for another hour or so, if that could come forward.

I know also that in the Auditor General's report it indicates that over the next 10 years, the older long-term-care homes—again, containing 35,000 beds—will be renovated for wheelchair access and a number of things like that. So in the next 10 years, 35,000 beds will be renovated. I guess my question is, how many have been renovated in the last 10 years? I assume these are the C beds or the B beds.

Mr. Saād Rafi: They are the B and C beds. We targeted those beds, I think, in 2007-08—I hope that date is correct; if not, it's the year after—for redevelopment, thinking that it might be a five- to seven-year process, averaging maybe 5,000 to 7,000 beds per year. We have not had that level of success in redevelopment, so we've just conducted two extensive market soundings with the industry to get a sense of what's holding them back from some of those redevelopments. There are all manner of different reasons, with some having to decant individuals in the interim while beds are redeveloped; in other words, it's a reconstruction activity in some cases. So we're in

the throes of trying to put together some strategies on how to respond and encourage that redevelopment, but we are behind target.

1250

Mr. Toby Barrett: Okay. So is there actual money available? As an MPP, I've certainly seen the brand new homes that have been built in my riding—about four of them, brand new. I'm not aware of any of these beds being upgraded or fewer people in a room. Has money been rolled out in the last 10 years for that?

Ms. Catherine Brown: There is a standard per diem that is provided to long-term-care homes that allows them to set aside funds for redevelopment. There was a nominal increase to that in July of this year to encourage more redevelopment, and that hadn't been increased for a number of years, so we are hoping that that will have some impact on homes' interest in redevelopment. But as the deputy indicated, we believe that it's more than just funding that is holding homes back. There are a number of issues that they have raised with us, as noted, that we're looking at how we might best address and work with them to allow them the opportunity to redevelop, knowing that they want to do that.

Mr. Toby Barrett: So we haven't really seen big capital grant announcements in the last 10 years like we saw previously for the new buildings that went up.

Mr. Saād Rafi: Right, so—you know, you probably should never go on recollection, but to your first question on pre-2013: Yes, as you probably recall better than I do, there was a large capital project announced to build several thousand new beds, and that gets us our current stock. There is a specific construction allocation in the per diem for these bed redevelopments, but we also want to get a sense of what the gap is in what we are providing, and why developers are not prepared to redevelop these beds.

In some cases, the larger homes are sitting on some significant real estate, so that may be an issue for them; they may want to have a higher purpose for that real estate. In other cases, they may feel that the money is not sufficient, so we're trying to do a cost analysis to figure out what it is costing in today's construction market. There's not just one market in Ontario, obviously.

Mr. Toby Barrett: Okay. To change direction a bit, one of the Auditor General's recommendations: The ministry should be streamlining health assessments to avoid duplication and, again, ensure that clients are placed as soon as possible. We understand that, in the legislation, health assessment has to be done by a doctor or a nurse—I think that's the law.

I know we talk about duplication; I'm wondering if it's even triplication. There would obviously be an assessment done when, say, a patient is discharged from a hospital and perhaps on their way to a long-term-care facility. That is done, I assume, by a doctor. Then, at the CCACs, another health assessment is done there. Then, say there is a transfer of that patient to a long-term-care facility. That facility, I think, would have an intake procedure where they would also do an assessment.

Does everybody use the same forms, the same tool? In this case, leaving one institution, flowing through a CCAC and entering another long-term-care institution, is it the same tool? Is it the same forms that are filled out? Does it have to be done by a doctor in all three cases, or a nurse? That's my first question on that.

Ms. Catherine Brown: Okay. I will start, and then I will hand off to my CCAC colleagues to respond.

We have made some changes in response to the Auditor General's report. It may appear that there is some duplication, and in some areas there may be duplication, but in other areas it is because people need to be reassessed before they enter the home. Sometimes people choose to be on a list for a longer period of time, or are on a list for a longer period of time, and so we've changed the requirements and the regulations. Those changes go into effect November 1, to require—sorry; that's not accurate. But we've clarified the policy as well, to ensure that necessary assessments are done so that clients are reassessed at least three months before they are admitted to a long-term-care facility, and they are assessed as necessary according to the CCAC or their primary care physician for their care at home through that time period that they're waiting. But we no longer require a six-month assessment regardless.

Mr. Toby Barrett: I know the Auditor General recommended a "touch-base" assessment, like updating. Does that make sense?

Ms. Catherine Brown: The CCACs are working with that on the ground to ensure that that touch-base happens, but we do require that they're assessed within that three-month period before they go into a home. It's important to see what their needs are and whether or not their needs have changed.

As my colleague Richard described earlier, we want to be sure that the right bed is the bed that they are going into. So we require them to be assessed at least three—

Mr. Toby Barrett: Yes. So I guess my question is: This is done two times over or three times over, then?

Ms. Catherine Brown: We're working to streamline that. It shouldn't be done two or three times over. It should be done as necessary by those in the community. I'll—

Mr. Toby Barrett: No, I'm referring—three times, like from the source, through the CCAC and to the ultimate home.

Ms. Catherine Brown: No, it is not. I'll let Richard speak to the—

Mr. Richard Joly: I can certainly elaborate if you want. I know from our area, there is a need for a physician to do their own assessment from a medical point of view. Their lens is very different than the CCAC, for example.

Our assessment is a standardized assessment across the province. We use the same assessment regardless if you live in downtown Toronto or you live in Thunder Bay; it's the same assessment. We have the ability to even share between CCACs this particular assessment. So if it was done recently in one area, in one hospital, but

the person is transferred, we share that information. We don't do that reassessment.

But it is critical that we do the reassessment within that period of time, within the three months. Conditions do change and seniors do age in place. I can give examples of seniors that are frail, are approaching the end of life, and who in a period of three months can change significantly. That update, that refresh, that reassessment is critical for the home just prior to assessment.

I know that we always—we will not now go on a standardized six-months automatically and just do a reassessment for the sake of doing a reassessment. We do it for the touch-base, making sure that it's value-added to the long-term-care home, but also value-added to the caregivers and families to say, "Are we making the right choices? Is this the right home?" And we provide that information to them.

Mr. Toby Barrett: So the sharing within the CCAC system, but again, going back to the source of the referral and the destination of the referral, is there sharing there? Is it the same assessment tool? These are my questions.

Mr. Richard Joly: We don't have the same assessment tools; for example, from source. If it's from a hospital or from a physician, we don't have the same assessment, but we do share our information. When they do their own assessment, it is not as in-depth as what we require for a long-term-care-home application. When we see the assessment done either in-hospital or by a physician, it may be a one-page or a two-page, but we need to do a more in-depth assessment. That's our practice in the North East.

I'll pass it on.

Mr. Don Ford: I would just add that every stage along the way has a different purpose for their assessment and a different depth and a different view. The one thing that we have done to try to smooth that out and to address the issue you're raising is that within the hospitals in our region, we've now embedded in every hospital care coordinators who, at a very, very early stage of an individual's contact with a hospital, are involved with them and are facilitating the assessments using our tool, so that we're reducing the amount of reassessment that may need to be done. Our care coordinators do the assessment in the hospital and pass it on to their colleagues in the placement area. That assessment has continuity, and that's the essence of the information that we then provide to the long-term-care home. They will have to do an assessment for very specific questions they ask. The hospital may do an assessment for very specific issues that they're dealing with. But within the transition block, we've tried to, through our care coordinators in hospitals transferring individuals back home or to long-term care, smooth that out using the common assessment that Richard spoke about.

Mr. Toby Barrett: So care coordinators and other supervisors or managers under the law: They're not required to be a nurse, are they?

Mr. Don Ford: Our care coordinators are nurses—are regulated health professionals.

Mr. Toby Barrett: Is that required by law?

Interjection.

Mr. Toby Barrett: It is required by law, for coordination—

Mr. Gordon Milak: Yes. By policy.

Mr. Toby Barrett: By policy. The law actually requires a nurse at a computer to fill out that assessment form? Is that required by law?

Mr. Richard Joly: Not necessarily a nurse. A regulated health care professional, as I alluded to in my comments earlier, could be a social worker, a physiotherapist, an occupational therapist, but for the most part, our care coordinators in Ontario are nurses.

Mr. Toby Barrett: Okay. Thank you.

1300

Mr. Bill Walker: A couple of follow-ups, if I could.

The Chair (Mr. Norm Miller): Mr. Walker.

Mr. Bill Walker: Thank you, Mr. Chair. Thank you again for coming—a pleasure.

A couple of follow-ups on my colleague's questions: I may be using inappropriate terminology, but with the upgrade per diem that we were talking about earlier, do you have any kind of accountability process built in? What I mean by that is, do you track the progress? So if a home says, "I will do X, Y, Z beds," and you're giving them the per diem in that allotment, do you have a timetable? Do you have a progress report? And if they're not meeting those intended goals, what's the repercussion? What's the protocol?

Ms. Catherine Brown: On redevelopment?

Mr. Bill Walker: Yes.

Mr. Saäd Rafi: I don't know the exact steps in the process, but, yes, we've actually recently re-examined that process by including all manner of financials, the ability of the home to deliver on those changes. If it's a provider we're not as familiar with, we'll have different milestones. Milestones must be met. Per diems are provided as those milestones are undertaken. So they have to qualify for the redevelopment process. I'd have to get you the steps that we undertake. So if you allow me to do that, I will.

Mr. Bill Walker: I would appreciate that. I guess the other piece of that that I'm really trying to get my head around—I'll just throw out a number. Let's say that there are 1,000 of these available, but we go through a year and a half and there has only been 20 of them developed. Are you then going to those people saying, "You're off the docket. There's another home over here that can make it happen," so that that money's being utilized and the patient, first and foremost, is always getting the service and care they require?

Mr. Saäd Rafi: I would like to say that—it's dynamic, in the sense that it isn't just, "You didn't show up this year. You're not going to be around next year." But, candidly, the demand has not outstripped what we had budgeted or pegged.

But, yes, if you couldn't get your system together for this fiscal year and you wanted to come next fiscal year, we'd want to be open to that because we want to see those beds redeveloped.

Mr. Bill Walker: The other is kind of on the placement side—and I hear this anecdotally in my riding a fair bit. Who is the final arbiter if someone needs placement? Is it the doctor or is it the CCACs?

Mr. Richard Joly: That's a good question. One, I think it's the patient themselves and the caregivers who decide this, so they make the decision and so on. In the event that that person is not able to consent, to make that decision, there is a process we can follow through regulation and so on to make that decision. So, really, it's not the doctor or the CCAC. We determine eligibility based on consent. It has to be consensual to enter into a long-term-care home. If they can't consent, that's a whole different issue.

Mr. Bill Walker: Sure.

Mr. Saäd Rafi: Can I just supplement? It depends what type of physician at what part of the process, if it's a referral from the community or if it's a referral from hospital. I think we still have circumstances in hospitals where "long-term care" or "nursing home" is a euphemism. A nurse or a physician may say, "Your mother cannot be on her own at home" or cannot be on her own for X number of hours a day, and many times, that's just become, in the sibling's or the children's mind, "Oh, she has to be in long-term care." I think that becomes a factor, and that's why assessment and the thoroughness of assessment, not just sitting beside a computer, is really critical in the steps.

Mr. Bill Walker: I'll provide a bit of an anecdotal. The reality that I'm hearing from operators is that in past times, the doctor would call—directly, in some cases, because they knew the operators very well. They've been established in the community for many, many years. They've got a good rapport and a good relationship. They've dealt with this patient for 20, 30 years. They know where they're at, and they're saying that that person absolutely needs a bed today, and virtually it was done seamlessly and overnight. Now what we're hearing in many cases is that they can't even call directly. They have to go through the CCAC.

I'm not necessarily arguing that there shouldn't be a protocol, but the reality is, I'm hearing from these operators that they have empty beds—significant empty beds. I'm hearing from the other side of the coin, from the parents or the children of parents, saying, "Grandma or Mom can't get into a home, and yet we see these empty beds sitting there," and that referral process seems to have been the dynamic change and the cog in the system.

Again, I'm just trying to get a bit more clarity, because I hear from all different aspects. I have the experts in the room, so it'd be great to hear.

Mr. Richard Joly: I can start. I'm not sure it's factual that there's a whole lot of empty beds. I speak for the North East; there are not a lot. But there are some empty

beds in older homes, that's for sure. Usually, those are not the beds that people will advocate for. So they want to go in the newer homes and so on, which take longer.

I'm sure we wouldn't want a system where it's who you are and who you know that you enter in a long-term-care home. We're the neutral broker. We assess everyone the same way, and then, based on your needs, based on the categories that we have—and they are regulated categories—that person, based on their assessment, has that category attached to their priority. So it's a priority system based on needs, and that's how we determine who gets the next available bed.

Certainly, we do a lot of counselling, so the role of that care coordinator saying, "We do assessments and so on," is critical, all the counselling that occurs between the care coordinator and the physician and the family to make sure that they're making the right choice. For example, that whole publicly available information on our homes and available wait times—when you say "idle beds," they're usually in the older homes. We say to the family, "Look, it takes this much time on average to go into that home, so you may want to put that as your choice. But ultimately, you have the right to choose where you want to live, which is that you can keep one first choice." The downside of that is that, "Look, your first choice is the most popular home, which averages a wait of 300 days, for example, versus 30 days." So putting that publicly and educating our families and patients really has helped that process, so they can make the right choices for them.

The Chair (Mr. Norm Miller): Thank you. We'll move on to the NDP. Ms. Gélinas?

M^{me} France Gélinas: Thank you. My first series of questions will be for Deputy Rafi. Picking up on some of the comments that my colleagues have made, you've talked about the redevelopment strategy that has not rolled out the way you wanted. We certainly did not see the 5,000- to 7,000-bed pickup. You're talking about what could be done for the future. Can you put a bit of a timeline as to when we can expect a new strategy for older homes' redevelopment, and will that be made public?

Mr. Saâd Rafi: No, I can't give you a time frame, but I can tell you some of the steps we're undertaking. We're trying to match wait-lists against A-, B- and C-type beds across the province. There are 630-some homes, and there are people on the wait-list—some 20,000. First, we're trying to match that up to see where the greatest need and greatest problems are. Then, we're trying to understand what the construction environment is in those communities—the availability of construction, what are the current costs—so that we can determine how big that gap is. Because maybe there are other models in which we can do this redevelopment.

The other thing we have to look at is that there are many different types of home providers: large, publicly traded, municipally run and owned, and small, private, not-for-profit as well. So they have all manner of differing abilities to finance, differing abilities to take on

additional debt etc. So I don't think we can assume any longer that we have a one-size-fits-all, and that is through a per diem model.

This is not government policy. I'm giving you what my understanding of infrastructure is and why I think we have some challenges, and what I've been asking our team to figure out.

That's why we did market soundings with the sector, to try to get the sector's view back. They gave us some really good feedback on some things that could be helpful to them. For example, CMHC has made a decision that they are no longer going to insure these types of mortgages across the country, apparently—they're trying to run that to ground. Is that truly the case? If it is, what can we do in Ontario to help with giving a 25-year licence some sort of confidence to CMHC so they can help those operators, because for some operators, having that ability to have that mortgage insurance backing makes a big deal for their investment, by way of example.

There are maybe some regulatory or procedural or architectural elements that we don't need to have anymore. Maybe things have advanced. Have we advanced to keep pace with those? That's the nature of what we're trying to do.

M^{me} France Gélinas: So I guess my question, coming from Nickel Belt and the situations we have, where the fact that we have so many beds that are in older homes that are very few people's first choice—when I hear you talk about everything that needs to be done before a new model is put forward, it kind of puts redevelopment, in my mind, almost a decade down the road.

Mr. Saâd Rafi: Well, I would certainly hope not. We're not working towards that goal.

M^{me} France Gélinas: Can you try and narrow that down for me?

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Mr. Saâd Rafi: No, I can't. I can't give you a number, because no doubt whatever number I choose will not be sufficient, so that's a bit of a risk not worth taking.

Look, it's complex. I think government has to be conscious of not just picking a number in a per diem and saying, "Well, that's on offer, if you don't want to take it up." If that's not working, then we also don't want to give too much, because, candidly, we have some companies that are for-profit companies here, and you don't want them to make—I have no qualm about the need for profit—an unnecessary gain. So I think it needs to be carefully studied.

M^{me} France Gélinas: I would agree with this, but what I would also add is that since 2007, we've had on the books this per diem. The pickup has been abysmal, not only in the North East but throughout. We're now in 2013, and we're now just looking at consulting with the sector to see how we move things forward.

If you get anything from our little exchange here, it's that if you can hurry this on, it makes a whole lot of difference for families that are going through a really tough time right now because they can't get their loved one into the home that they want.

Mr. Saād Rafi: I agree that this is of some urgency; there's no question about it. Not to split hairs, but I misspoke; it was 2009. Nevertheless, that was 2009. It's been four years, and we have not seen the type of response we hoped for.

But we didn't just start the consultation. We've had our second round of it. We're drilling down on it. We did one over a year ago, and we just concluded one now.

M^{me} France Gélinas: All right. I would like to talk about financing of CCACs. The auditor made it clear that there was substantial variation in the amount of services that CCACs can provide, basically because in the past, funding for CCACs was based on what they received historically. What has the ministry done to make sure that this historical disparity between CCACs has been addressed?

Mr. Saād Rafi: I'm not sure I would say historically that—well, I'm speaking now provincially, not by each CCAC—that it was just simply that what you got last year is a function of what you get next year. In some years there was a 6% increase; in another year, there was 12%; then 9%; and then 6%. But in the last few years, we've held spending from a historical 6% to 8% growth and brought that down to 3.5% and are now trying to hold it at 2% growth.

However, for the community sector—CCACs, community supports, assisted living and that nature of funding—three years ago we provided three-and-a-little-bit per cent; last year was 4%; this year is 6%. So we've tried to smooth out—

M^{me} France Gélinas: But your answer kind of says that we will continue to fund historically, so you get 3% of what you had before.

Mr. Saād Rafi: No, no. What I was trying to illustrate was that where others in the health sector were held to zero, such as hospitals, we were providing 3%, then 4%, then 6% increases, in a time of fiscal restraint. In other times, they received the same amount as, or more than, other sectors within the health sector. So I think as of late, there has been a real recognition, in the last three years especially, that the community sector needs a great deal more investment.

Now, not all that money has gone to CCACs. It has gone to other investments within the community—assisted living, supportive housing. The CCACs themselves don't benefit from that, but that's not the point. The individual patients and Ontarians do.

M^{me} France Gélinas: So—

Ms. Catherine Brown: May I supplement? To your point on the distribution of those funds: The overall base remains the same, and it is 4% or 6% on that. But then the distribution across the LHINs is not just based on 4% of what you got last year—

M^{me} France Gélinas: No, but I was not interested in within the LHINs. I'm interested in the Champlain CCAC having way more resources than the North East CCAC. Every time you add the 3% to the Champlain LHIN and the North East LHIN, then you are just continuing to multiply this regional disparity. One CCAC—

sorry about picking you—starts off way better off than the others, and then every time you add—I don't care if it's 3%, 10% or 20%—you add it on historical disparity, where they did not start out as equal.

Mr. Saād Rafi: Again, if I play out your theory or your approach, then we would make everybody equal to Toronto Central, right? Because every CCAC should be equal. That doesn't make any sense to me whatsoever, given the population base, the density of those individuals, the acuity needs in that area. So we use a population-based model called HBM and we allocate funds to hospitals, and now we've moving to CCACs and then eventually long-term-care homes. But if you're suggesting that the northeast and the northwest in all areas of government funding should be the exact same as the southwest—because that's what you're saying. So I don't—

M^{me} France Gélinas: I'm talking about equity, not equality.

Mr. Saād Rafi: But I'm not sure the case is made for inequities just because they have a different base funding level. That's the only thing I would take a little bit of exception to.

M^{me} France Gélinas: I disagree with you.

Mr. Jagmeet Singh: Just to build on that same point, the Peel region has seen a remarkable growth over recent years, and their funding models in many areas are being criticized because they are not balanced based on the population. Could you comment on that with respect to Peel region?

Mr. Saād Rafi: Well, as I said, we have moved in the last two fiscal years to something called a health-based allocation model, which is a population- and acuity-based model. With the help of the CCAC members on our implementation committee and the steering and advisory committees, along with hospitals and representatives from other community services, we are now taking that model that we applied to hospitals and we're adapting it to CCAC funding.

Is it perfect and has it caught up with every area's growth? Probably not. We rely on municipal official plans, Statistics Canada growth projections and Ministry of Finance data as well, and that's our objective. I don't for a second sit here and say that it is perfect and 100%, at this point, efficient.

M^{me} France Gélinas: The auditor's report also contained a number of recommendations that would potentially require amendments to the long-term-care act. When you talk about discontinuing health assessments or moving on to a check-in, has any consideration been done to modifying the long-term-care act?

Mr. Saād Rafi: If you're referring to the discussion that we were just having about the period of reassessment prior to placement—is that one of the examples you were thinking of?

M^{me} France Gélinas: Sure. We can use that.

Mr. Saād Rafi: We thought that that required a legislative change. In fact, Catherine has written to all the CEOs of the CCACs on an interpretation that says that

you don't have to have a set schedule of assessment and reassessment, but reassess where you think it's necessary and definitely reassess three months prior to admittance into a home, because the home will want that information. That's the most recent assessment of the care needs, and we haven't yet come to ground of what other legislative changes may be needed to the Long-Term Care Homes Act.

M^{me} France Gélinas: Okay. Richard, c'est à ton tour. T'avais-tu hâte?

Interjection: I found it.

M^{me} France Gélinas: Thank you for coming to Queen's Park. My first series of questions will have to do with first-available bed. This is something that other jurisdictions have been using. This is something that, unfortunately, in your particular CCAC, you've been forced to use because of a hospital-designated crisis. I just wanted to have your lived experience as to what it means when a client is forced into the first bed.

Mr. Richard Joly: I can tell you that since 2010, nobody is forced into a long-term-care home that they don't want to be in. In fact, before that also, I would say they weren't forced.

The challenge that we had in your specific area: That particular hospital had been under crisis, if you use that term, for five-plus years, on and off, but almost all the time in crisis, which required the hospital to do some counselling with family and encourage them to pick all seven available homes and any bed at any time.

Certainly that practice has not gone on in your area or any area in the northeast since July 2010, but there are consequences to that. People wait longer in hospital, they wait longer for their first choice, and that's why publicly we release the wait times, so that they can make informed choices.

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But yes, there is that consequence of people waiting in their second, third, fourth choice. They don't want to be there; they want to be in the home that is definitely newer. Unfortunately, they are there, and there are other people in front of them with a higher priority based on the priority system we use, because then they become a priority for A, as we call it in our category—and those categories are available on the website also. But all the ones need to be placed first, all the twos and so on, and unfortunately, they stay there for a long time, and we all know that seniors don't have the time when they're in-home. They don't have the luxury of time. It is an unfortunate situation, but I can tell you that people are going into their first choice now. They wait longer, but at least they're going into their first choice since July 2010.

M^{me} France Gélinas: How many people would you say you still have who are waiting to transfer into their home of choice?

Mr. Richard Joly: I don't have the exact number today, but I can get that number for you.

M^{me} France Gélinas: Just two or three, 20 or 30, 200 or 300?

Mr. Richard Joly: There's likely hundreds.

M^{me} France Gélinas: In the hundreds?

Mr. Richard Joly: Yes.

M^{me} France Gélinas: And how long have some of those hundreds of people been waiting to go into their first choice?

Mr. Richard Joly: For the most part, on average, two years, two-plus years, but there are some that have been three-plus years in homes.

M^{me} France Gélinas: So if Ontario was to bring a policy forward that forces first bed, would you see that kind of scenario rolling out in other parts of the province, the same things that has happened—you have hundreds of people that are not in their first home, that have to wait for years and years before they get into their first choice?

Mr. Richard Joly: I won't speculate. That's not a good thing to do. Certainly, I can tell you that people will not be forced; they need to consent to be in their home. That's where the critical role of the care coordinator comes into play, and a lot of counselling and being very transparent, that the caregiver and the family are making informed choices that if you're waiting for the home that's the most popular, you'll wait X amount of days on average, but you can go in this home and it's much, much shorter. So the counselling will be critical moving forward. Because people shouldn't be staying in acute care either, so it's a balance and making sure that we're assessing, counselling and making sure the care is given at the right care, right time, right place.

M^{me} France Gélinas: Can you give me an idea of some of the complaints you have received from families that have been from clients themselves that are not in the homes that they wanted to go?

Mr. Richard Joly: The type of complaint?

M^{me} France Gélinas: Yes. Give me examples.

Mr. Richard Joly: Well, you know them, for sure. They are seniors that are in homes that they don't want to be in. They are much older seniors, and like I said, this process is heartbreaking at times, and we do have to work within the framework that we're given. I don't have all the examples today, but they are heartbreaking stories, that's for sure.

M^{me} France Gélinas: We will all remember the story of a husband calling his wife every day for years because she was in a home at one end of the city and he was in a home at the other end of the city. He called your office every day to see when his wife would be moved. Do you want to finish the story?

Mr. Richard Joly: Go ahead.

M^{me} France Gélinas: The story is that she died the day that she was finally transferred, and they never got to be together for the last two and a half years of their lives, and they had been married over 60 years.

We have hundreds of cases like this in Sudbury because of the five years that our hospital was in crisis 1A. I have two complete filing cabinets in my office of over 200 people—those are the people that live in Nickel Belt. I'm sure Mr. Bartolucci has just as many that live in Sudbury that are in this. So it was just a forewarning that this policy of trying to discharge people into the first bed

available comes with great hardship on a lot of people. I've shared one of the stories. There are many, and as Richard has said, all of them are heartbreaking.

My colleague wanted to pipe in.

Mr. Jagmeet Singh: I'll use it for the next round.

The Chair (Mr. Norm Miller): Very well. We'll move on to the government. Mr. Mauro?

Mr. Bill Mauro: Thank you, Mr. Chair. Welcome, everybody, and thank you for being here today.

My first question is for the deputy. One of the numbers that I use when I speak in my community of Thunder Bay—Atikokan about health care costs is that when we were first elected in 2003, we spent about \$30 billion on health care and today we're spending about \$50 billion. Am I close? Am I in the ballpark?

Mr. Saäd Rafi: Yes.

Mr. Bill Mauro: Okay. So it has gone from \$30 billion to \$50 billion since 2003, and I think we approached that \$50 billion one or two years ago. So within the first eight or 10 years, there was a significant increase in total health care spending.

Somebody mentioned about the care coordinators. I think they're embedded in hospitals. Some hospitals? All hospitals? Do all hospitals within each CCAC area or LHIN area have a care coordinator, and who is paying for the care coordinators?

Mr. Richard Joly: I'll speak for my area, but for the most part in Ontario, in the larger hospitals, we have care coordinators. In fact, at Health Sciences North in Sudbury, we have over 30 care coordinators who are on site every single day doing discharges, and they're paid by the CCAC.

Mr. Bill Mauro: And they come through your budget?

Mr. Richard Joly: They come through our budget. We work very, very closely with our hospitals and acute care partners for integrated—

Mr. Bill Mauro: Thirty care coordinators in one hospital? That's remarkable. Not to understate their work, but their focus and only focus is the discharge and getting—30 of them in one hospital?

Mr. Richard Joly: Correct.

Mr. Bill Mauro: How many beds are in a hospital?

Mr. Richard Joly: But the small hospital—I just want to clarify. The smaller hospital doesn't necessarily need a care coordinator on site all the time. So the strategy that we're working with small hospitals on is—we have care coordinators in those communities, so their home office would be the hospital, so they would be coming in and out, doing assessments in the community but also working in the hospital.

Mr. Bill Mauro: I see. Okay. I wanted to talk about wait-lists, and I think it was you, Mr. Joly, who said something about wait-lists in your CCAC. Through your LHIN, I believe you said—it was the first, I think you said, community care access centre to publish your wait-lists, your wait times. I think you said that. From that, I'm concluding that it's not legislated, that you all have to do it. But then I thought I heard the deputy say that we

are going in that direction. Can somebody, first of all, clarify for me whether we are required legislatively to post these, and if not, if we're moving in that direction, just as quickly as possible? Or is it up to the individual CCAC right now?

Mr. Richard Joly: I can tell you that now all 14 this month will actually publish their wait times in a very standardized format, the same way across the province.

Mr. Bill Mauro: Okay, so it's coming.

Mr. Richard Joly: It's here.

Mr. Bill Mauro: It's here. All 14 are going to publish their wait times. Is it through regulation, legislation, through a policy? You all got together—

Mr. Richard Joly: It's through the Auditor General's report's recommendation—

Mr. Bill Mauro: —through the gentleman over here, the Ontario association? You all said that we're going to do this, more or less?

Mr. Richard Joly: We voluntarily said—

Mr. Bill Mauro: Understood.

Mr. Richard Joly: —we're going to do this.

Mr. Bill Mauro: Okay. Because here's my question on the wait-lists. We learned something very interesting this morning. We had a briefing in this committee this morning, and in one of the reports that we received—and I want to drill down to the numbers that are actually on those wait-lists a little bit. There was a number provided to committee this morning that showed the total number of people on wait-lists for long-term care in the province of Ontario. It's approaching 32,000. Then a little further along in the deck that we were provided, there was a bullet point that would have been easy to miss, but it said that 40% of that number are actually people who are in a long-term-care home but who haven't received their preferred choice. So for me and for others, I'm sure, that was very significant to learn that. So the 32,000—I'm doing rounding here—less 40% is the actual number of people who do not have and who are still waiting for a home.

My question is, when you post your numbers as an individual community care access centre within your LHIN boundary, do you post your number minus that 40%, by your individual piece, or do you put the global number up, where people may be in a bed in your CCAC but don't have their first choice?

Mr. Richard Joly: I can speak for the North East. Our fact sheet, and I have it in front of me, actually posts that number.

Mr. Bill Mauro: Which number?

Mr. Richard Joly: The number that you just referred to: 40% are already in their first choice. Because if you look at—

Mr. Bill Mauro: Just so I'm clear, your CCAC will post a number 40% lower than—

Mr. Richard Joly: So it's a bit confusing—

Mr. Bill Mauro: Yes.

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Mr. Richard Joly: —and that's why it took some time to actually publish this, because people will go

straight to the wait-list and count them, and will say, "There are 800 people on your wait-list, so we need 800 new beds." Some 40% of them are already placed, so we put that on a fact sheet to say, "Be careful with that large number, because they're already there."

Mr. Bill Mauro: So your website will still show the global, larger number, but it would also clarify it by saying "less 40%, more or less, depending on your individual circumstances"?

Mr. Richard Joly: I will take that back to the provincial group that is looking at the fact sheet, because—

Mr. Bill Mauro: But you are doing it already—

Mr. Richard Joly: We are.

Mr. Bill Mauro: —so what are you showing?

Mr. Richard Joly: It's around that 40%.

Mr. Bill Mauro: Okay. So you're showing the larger number, and then, somewhere on your website, you are saying, "less this number of people who already have a bed; it's not their first choice."

Mr. Richard Joly: Correct. Yes.

Mr. Bill Mauro: Okay. On a go-forward basis—we're doing this in a voluntary way. I'm wondering: Is this what everybody is going to do? Are you all going to follow that same pattern, or is it going to be up to the individual community care access centre?

Mr. Don Ford: I would suggest, in preparing this, to try to be as common as we can be, so that it is in the best interests of the citizens. We will take this back and we'll make sure that, whatever adjustments we make, we all make the same adjustments, so that people are always comparing, to the highest degree possible, apples to apples.

Mr. Bill Mauro: It's the kind of thing that's really easy and jumps off the page, and can drive policy. I'll tell you, if I would have walked away from here and not been at the briefing this morning, and somebody had told me "32,000," I would have believed that that was the number. That's a number that would drive policy-making, should people not know any better; obviously, the deputy would know differently, but I think it's important for us as individual members to know that.

I'm from Thunder Bay. My North West LHIN is not here today, but I'm hoping that they're listening, or that I am going to remember to talk to them about this, so that when Laura Kokocinski goes to post her numbers—voluntarily, along with the rest of you—her global number will reflect the actual number of people who already have a bed that wasn't their first choice.

Mr. Barrett, in his earlier questions, raised issues related to capital funding. I lived this very personally when I was on city council in Thunder Bay. The previous government brought in their category system—A, B, C, D—and there were some questions raised by Mr. Barrett about any capital funding announcements. When the categorization came in, the D beds were left with no choice; you had to rebuild, and you were given a time frame within which to do that. When I was on council, it's my remembrance that there was no money that came

along with the D-category beds. In Thunder Bay, we had two homes of 150 beds each that were D-category homes, for a total of 300 beds. No money came along with us having to rebuild those beds. I was part of a council that debentured \$44 million to rebuild those 300 beds. A subsequent council changed their position; I'm not sure where the money went, but they decided that they were not going to rebuild.

To get to the point of Mr. Barrett and capital funding announcements: We now, as a province, have stepped up to the plate, and we—just in the last several months—began a groundbreaking where 416 newer beds will be built to replace those D beds. That's a \$100-million project, along with 132 supportive beds. It's called CEISS in Thunder Bay, the Centre of Excellence for Integrated Seniors Services. That will be administered by St. Joseph's Care Group. That's \$100 million that may not be reflected anywhere in a large capital announcement and you may not see if you're looking for something. Maybe it's being done on a project-by project basis.

Here's my point for the deputy: We've talked a fair bit today about managing the wait-list by driving more money into community care. In the remarks, there is some language of about \$800 million or \$900 million that has gone into home care over the last period of years.

I'm looking for you to talk a bit more about that, because while there may be some who would say that there have not been enough capital funding announcements to create more beds, the home care/community care piece is a significant component of the approach we've taken to deal with the aging population and keeping people where they would prefer to be: quite frankly, in their own homes, where it's cheaper to be.

That \$800 million or \$900 million that has gone into community-based care is part of, maybe, a long-term-care-bed announcement that others might prefer to see where we're just building more homes. Deputy, I'm wondering if you could remark on that quantum, what it has accomplished, and how long we have been doing it.

Mr. Saäd Rafi: I believe we started this investment in 2008-09. That number takes us from 2008-09 to 2012-13. It doesn't include the investments in 2013-14. That would bring it to well over \$1 billion; it would be about \$1.1 billion. What is behind that investment is a clear preference by Ontarians to age in place, that place being at home or in their community. We've heard examples of the need for that community care. That has really changed the focus of long-term-care homes and the nature of the resident who finds herself or himself in long-term care.

Mr. Bill Mauro: So while we may determine, at some point, that there is a need for more long-term-care beds, it's important to remember that \$1 billion-plus has been invested already in home care and has significantly relieved the need for more long-term-care beds to this point, even though we still may need more long-term-care beds.

Mr. Saād Rafi: I think, with the demographics Ontario is facing, along with other jurisdictions, we're going to need more of everything to deal with this very significant issue that is upon us.

Just one clarification: We have very, very few D beds left. They have been redeveloped, so we're really now focusing on Bs and Cs.

Mr. Bill Mauro: Okay. I wanted to go to a point that was raised by Ms. Gélinas, and I think it's a good point. Where she went with it is a little bit different than what I want to talk to you about. It's the policy of first choice. I don't know this, but I don't think any of the parties are interested in necessarily changing that policy where a senior can tell the community care access centre what their first choice of a bed would be. Although, as we learned this morning, there are, I think, five other provinces where they tell you where you're going, more or less; you don't necessarily get a first choice. It's interesting.

My question is this: It seems to be a wonderful piece and a good thing to do to allow people their first choice, and it's generally the family members who are really driving that as much as or more than the individual themselves who is going to need the placement—and we've all met them in our constituency offices. My concern about it is if a senior languishes on the wait-list for a significant period of time because their first choice is not available to them, and they end up in the hospital taking up an acute care bed—maybe their needs are acute care. I would have to believe that in some instances, they're not, and that it's only that they've progressed between home care and long-term care; maybe a supportive piece would be best that isn't offered in a community. I guess I'm looking, maybe again at you, Deputy, for a comment on what that first-choice policy can do in terms of our acute care capacity in Ontario.

Mr. Saād Rafi: I don't want to just make that direct nexus with that policy and that it is affecting all of acute care; I know that's not what you said. By the way, we're hearing of other jurisdictions moving away from first available bed, actually, most recently Alberta, which is interesting. This notion of first choice, and Richard said it really well, is that this is the difficult balance between the desires of the family—and many times, they're different from the desires of the individual. The family, with all due respect, wants to put pressure because, in some cases, they're not prepared to take on the challenges of dealing with the parent. I'm not criticizing them for it, because it's a very difficult time for everybody.

So yes, that has caused some—not that specific issue, but there has been some impact on acute care, and we refer to that as alternative levels of care. We work really hard to get those numbers down, and we're starting to see that that has been cracked in the sense that we've consistently seen every LHIN and CCAC bring those numbers down because of a home-first philosophy, aging at home, supports in the community for housing, assisted living and this over \$1 billion in spending.

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Mr. Bill Mauro: Sorry. Before I go on, you said that other provinces are moving away from first choice?

Mr. Saād Rafi: First available bed, which is distinct from, "You get your first choice." I think the auditor or her staff may have referenced that there are five jurisdictions, you said, that say, "The first bed that becomes available, you will take it." We've heard that Alberta has moved away from that and is looking to do what we do, which is, "You get your first choice."

Mr. Bill Mauro: They're coming towards—

Mr. Saād Rafi: That's what we understand.

Mr. Bill Mauro: One of the things—

The Chair (Mr. Norm Miller): Excuse me; the auditor was just clarifying something.

Ms. Bonnie Lysyk: I could be wrong, but I think what we had is BC, Saskatchewan, Manitoba, Newfoundland and PEI in the five that you're referring to. Alberta has had a policy of 60 kilometres, and Nova Scotia, 100 kilometres.

Mr. Bill Mauro: The five you listed are the same as us or different than us?

Ms. Bonnie Lysyk: They are different.

Mr. Bill Mauro: Where they don't allow you the first choice.

Ms. Helena Jaczek: You go to the first vacancy.

Ms. Bonnie Lysyk: That's correct.

Mr. Bill Mauro: Yes, you're told where—

Ms. Bonnie Lysyk: Yes.

Mr. Bill Mauro: Okay. One of the things that I find interesting in the process—we talked a bit about this this morning; I asked a couple of questions about it—is that a long-term-care home can refuse a referral. At first blush, you think, "How could that be?" Then you realize that not all long-term-care homes necessarily provide the same services. The example used this morning was maybe dementia wards, where not all long-term-care homes would have the capacity to care for everybody who was referred to them. I guess, then, it begins to make a bit of sense.

But I would expect that the community care access centres, and if not them, the LHIN within which you reside, would have a good inventory and a sense of what each home is able to do. I don't know that, but I think it would be fairly safe to assume that; and if they can't do it now, I don't imagine it should be too hard for them to figure it out if they wanted to.

The reason I raise that is that it concerns me a little bit—and maybe the auditor said it this morning when I raised it—that this happens only about 1% of the time, where a long-term-care home will refuse to take somebody who has been referred, or maybe that was their choice. Understanding that from time to time, there might be a good reason for a long-term-care home to refuse a referral, I have to ask myself: Given that the community care access centres would know about the home already and the LHIN would know about the home already, why would the referral happen in the first place? Because I don't mind saying it concerns me a little bit that a home

gets to say no. I'm not going to necessarily go into the reasons why that would concern me, but I'm just wondering if, as providers, you think that that authority might be best vested with you.

Mr. Richard Joly: I can certainly answer that. They can only refuse—and it happens very rarely, as I identified. It can only happen for two reasons: They don't have the facilities to provide the care, or they don't have the nursing services to provide the care—only for those two reasons. If they give us other reasons, then we say, "That's not a valid reason." Very rarely—

Mr. Bill Mauro: So you can kind of go back and—

Mr. Richard Joly: Absolutely, and we go back and forth. As soon as a home says no, we say, "Why? Why, why, why?" Then really, till the end, and they've exhausted—and sometimes it gets right to my desk, saying, "Here's a home that refused one of these patients," and the reason why and so on. Then we can go back to the LHIN to say that they need more resources, the facilities are not meeting the needs and so on. We know the inventory of our homes and beds; we know exactly what they can provide or not provide. But the reason we send the referral, saying, "Maybe this one's not so right, but we'll send it anyway"—they may have changed their staffing model and so on, which we're not aware of.

The other big piece is, seniors age in place. The senior we sent through years ago may be very different than they are today. Their population changes all the time. We wouldn't know that, but they would know that, and they would know to say, "No, we can't, because we have 10 new dementia clients in this unit. If we add an 11th one, it's not safe for anybody."

There are reasons for the process. I think the process works fairly well, actually.

The Chair (Mr. Norm Miller): Thank you. We'll move on to the opposition now. Mr. Barrett.

The Chair (Mr. Norm Miller): Thank you, and we'll move on to the opposition now. Mr. Barrett.

Mr. Toby Barrett: Thank you again, Chair. Actually, I'd like to take maybe five or six minutes and then defer some of the time until later. Our health critic and former health critic have left the room.

The Chair (Mr. Norm Miller): Fine. Go ahead.

Mr. Toby Barrett: I'm just looking at a briefing from our Auditor General on wait times. I see the categories "Religious, ethnic, linguistic home (higher needs)" and regular, and I see very long wait times: 14 years for these homes, and three and a half years for the higher-needs people who wish to go to these homes.

I guess a couple of questions. Why is there the demand on these homes? I'm assuming much of it may be loyalty to one's community, for example, or church. How many of them are there, and is it also a higher quality of care or the reputation they have? That's the first part of that question.

Mr. Don Ford: I can address that. We have some of those homes in our CCAC. They're not a higher level of care. The care that's provided in the majority of the homes is of an equal value. What it is—

Mr. Toby Barrett: Equal value, did you say?

Mr. Don Ford: Of equal quality for the client and the patient. What it is—it's often linguistic. So we have homes where people want to go because it's the only home where they have Russian-speaking staff and Russian-speaking residents. There's only one, so if that's what you're waiting for, there's a long wait. Homes where they speak Mandarin or Tamil—it's a case of the numbers of individuals in those populations that are being referred to those homes where there are specific linguistic, religious or language issues that they are trying to have addressed in the interests of the individual, because some of these elders speak nothing but that native tongue. It's a case of wanting them, obviously, cared for in an environment that respects their religion, their language, their dietary habits. So those homes can be very long wait-lists because there are very few of them that have those very specific, targeted population requirements.

Mr. Toby Barrett: And what can we do to deal with these very long wait-lists? Do some of these communities wish to expand their homes or to build a home?

Mr. Don Ford: In those cases, it would most likely be a capacity issue, and that would have to fall into the hands of the overall planning in the province as to the refresh and renewal and the addition of stock.

Mr. Saäd Rafi: I would just hasten to add that our data says that for that category of home, the average wait is 500 days: still long, but I think that has to be considered in perspective if you want that kind of a specific type of home, as Don has indicated.

Mr. Toby Barrett: Five hundred days. Okay. Now, I have some information here: three and a half years and 14 years. That was why I asked the question.

Mr. Don Ford: Again, when you're looking at the admissions to long-term-care homes, there are so many variables that go into it. It may be private, semi-private, basic, male, female, special-needs. So by the time you match all of those up, there may be some cohorts for whom there's a very long wait because there are very few of those beds. But on average, as the deputy says, it works out to about 500-plus days for those homes.

Mr. Toby Barrett: Five hundred days—

Mr. Don Ford: But you have to really parse out each specific subset of individuals to look at. Some of them are in very quickly because they're looking for a basic bed. Some only want a private room, and if they're dementia and they are female and there is no female dementia bed in that—so it's matching the stock against the individual's specific requirements, needs and—

Mr. Toby Barrett: And they're all open to the general public, too?

Mr. Don Ford: Oh, yes.

Mr. Saäd Rafi: Sorry, I misspoke. Five hundred is the number of individuals who are currently, in 2012—well, we're in 2012-13—looking for that type of home. Our average—I think the auditor's team would disagree; we have a disagreement on data, I think, but our average is 291 days for that type of home.

Ms. Catherine Brown: That doesn't mean there aren't specific examples outside of that that may be as described, some number of years, but that's the average number that we—

Mr. Toby Barrett: That's the average? Okay. I just wanted to go back—

The Chair (Mr. Norm Miller): Excuse me. I think Susan, who did some of the work, would like to clarify this a little bit. Go ahead, Susan.

1350

Ms. Susan Klein: Thank you. There are two different wait times. One is the wait time of the people who were placed during the time period. Then there's the wait times of the people who were on the wait-list at March 31. I think that was the time that Mr. Barrett was referring to. We looked at the number of people on the wait-list at March 31, we looked at the number of people who had been placed in the prior fiscal year, and, based on that, determined an expected time to placement. Those were the times that were being referred to.

Mr. Saād Rafi: Did you have data on how many people at March 31 were waiting for how long, by individual?

Ms. Susan Klein: Yes.

Mr. Saād Rafi: So 13 years, 14 years? How many?

Ms. Susan Klein: That would be the number of people who were waiting at March 31, and if you divide by the number of people who were placed in the prior fiscal year, you would have come up with 14 years.

Mr. Saād Rafi: Oh, it's a derived calculation for placing? I see. Not a witnessed event, but a derived calculation.

Ms. Susan Klein: It's the people on the wait-list as of March 31. Some of those can be your more difficult-to-place people, as well as your people who are taking longer to place. Your people actually placed during the year would maybe have a larger crisis component that would reduce your median wait time.

Ms. Catherine Brown: It's in Figure 7 of the 2012 report.

The Chair (Mr. Norm Miller): Please go ahead.

Mr. Toby Barrett: Yes, I'd like to go ahead. Actually, I'd like to bounce back to some previous discussion on assessment. We know that the act requires a physician or a registered nurse to complete a health assessment as part of the eligibility process. During the Auditor General's work, staff were told that these assessments add little value as they are often not fully completed or are duplicate information, and they make reference to the Resident Assessment Instrument—Home Care.

There's a provincial working group—maybe some here are members of the provincial working group—that recommended that these assessments be discontinued and recommended that the act be amended, which is something that, I guess, would lie in our bailiwick. Advice on that? Has any consideration been given to either streamlining this assessment process, which I assume takes up a lot of the work of people in the assessment referral

centres? Secondly, any advice? Should we be looking at amending the legislation?

Mr. Richard Joly: I don't have the total answer in regard to the working group and the advice and so on because I'm not part of the working group. But we need to differentiate between the health assessment, which you're referring to, that the physician/nurse has to do. It's kind of a medical update, and it's a very brief, brief assessment.

The RAI tool that you just referred to is the comprehensive assessment that's done throughout Ontario the same way, and that is the comprehensive assessment that takes—

Mr. Toby Barrett: Is that the eligibility assessment?

Mr. Richard Joly: Which is part of the RAI. The medical update is not the eligibility. It's not a comprehensive behavioural, functional, risk assessment. It's just a medical update, very brief, although the question is: Is there value now? We question, in Ontario, since we've standardized the assessment tool that we do, the RAI tool, which is a very comprehensive assessment: Perhaps, because now we're going to send it electronically to all the homes, is there a need for that additional medical update when you have to go to a physician or a nurse practitioner and use their time for that particular tool?

I would imagine the working group—which I'm not aware of where they're at with their progress, but there are two different assessments. The one you're talking about is very small in nature.

Mr. Toby Barrett: Okay. Thank you. Christine, did you want to—

Mrs. Christine Elliott: I'm just wondering—

The Chair (Mr. Norm Miller): Welcome back. Go ahead.

Mrs. Christine Elliott: Oh, thank you, Chair. I had a question regarding some of the placements of people into long-term-care homes, specifically people with intellectual disabilities. I'm trying to understand whether that's considered a problem, what the plan is for that, and how many people are now being housed in long-term-care facilities.

Ms. Catherine Brown: It is a challenge that we face across the system around aging adults with intellectual disabilities. Some of our long-term-care homes have individuals in their homes who are not necessarily the right fit for the client group, but that is the best care that is available for them.

We are working with our colleagues across other ministries who have those populations in their care, like the Ministry of Community and Social Services. We also have the Ministry of Children and Youth Services, who have aging children who have severe disabilities and are looking for the right place of care for them. It is not necessarily long-term care. It may be some other form of care. So that's an issue that we're trying to address alongside the issues that we face in the long-term-care system.

Mrs. Christine Elliott: Are there any parts of the province that are impacted by this more than others?

Ms. Catherine Brown: I don't think we have a good sense of where in the province there might be bigger problems. The Ministry of Community and Social Services probably has a better handle on that information than we would.

Mrs. Christine Elliott: When you consider the waitlists—I guess it's about a 40% discount from the amount that we heard this morning, so it's about 18,000 people, give or take, who are waiting for long-term-care placements. Are they all seniors or are some of them people with intellectual difficulties?

Ms. Catherine Brown: They should be predominantly seniors, but there may be some who are under the age of 65 who have been designated—

Mr. Richard Joly: Very few.

Ms. Catherine Brown:—but it would be a very small number.

Mrs. Christine Elliott: Okay. Thank you. Those are all my questions for now.

The Chair (Mr. Norm Miller): Okay. We'll move on to the NDP. Who would like to go? Mr. Singh.

Mr. Jagmeet Singh: Thank you. My questions are just—first off, with regard to cost, is there a way you can just give me an estimated cost per day in a long-term care? If there's a range, what would that cost? And very briefly, if you could break down what the total cost is, provincial-municipal, if there's a formula that you have?

Mr. Saād Rafi: Approximately \$155.

Mr. Jagmeet Singh: One hundred fifty-five dollars per day? How is that often broken down—for example, any of the CCACs—in terms of how much the province pays, the municipalities pay and—

Mr. Saād Rafi: The province pays a per diem, and it's broken into four categories. They are nursing and personal care, programming and support services, raw food, and other accommodation.

Mr. Jagmeet Singh: Okay. And is that—

Mr. Saād Rafi: A hundred and fifty-eight; pardon me.

Mr. Jagmeet Singh: And is that the provincial average or is it higher or lower, depending on what region you're from?

Ms. Catherine Brown: That's the average, but it wouldn't vary by region. It would vary by your care level.

Mr. Jagmeet Singh: Your care level. Okay. We were talking before about the desire to keep more people in their homes, and that's a strategy also to reduce the burden on long-term-care homes and the beds there. What does it cost to keep someone at home, and at what threshold—where they're at a point where they might need long-term-care facilities and services, but if we provide them with the care at home, they could stay at home. What is that threshold and what's the cost associated with the difference between—the long-term-care cost is \$155 per day. What would it cost to keep someone at home?

Mr. Saād Rafi: I actually don't think we do this on a financial calculus, in the sense that we're not trying to keep people at home in order to alleviate pressure on long-term care as the practice but, rather, trying to re-

spond to what people are actually wanting for their parents and themselves.

Mr. Jagmeet Singh: That's fine.

Mr. Saād Rafi: So I think the cost at home varies by your acuity level, just as the number I gave you is the average for the resident who has the lowest need.

Mr. Jagmeet Singh: Is there an average cost, and is there an average cost from lowest to highest need at home that you have?

Ms. Catherine Brown: Cost for home care: I don't think—

Mr. Saād Rafi: It's very difficult to calculate that.

Mr. Jagmeet Singh: Okay. We all know that—is there actually a number?

Mr. Richard Joly: The average, if you want to use the same methodology, is about \$42 a day, but again, the complexity of client—your very complex client is much higher than \$42, but the average home care patient in the province of Ontario is about \$42, and that's in our quality report that we released last year.

Mr. Jagmeet Singh: Okay. The report that we received indicated about 85% of the people who are in long-term care right now are aged 75. That's 85% of the folks there. Roughly, that's—of course—

Ms. Catherine Brown: Seventy-five or older.

Mr. Jagmeet Singh: Seventy-five or older. Yes, exactly. So the prediction is that, in the year 2021, the baby boomers are going to hit 75—

Interruption.

Mr. Jagmeet Singh: We can just disregard that. It's okay.

Mr. Saād Rafi: Are you sure?

Mr. Jagmeet Singh: Yeah, I'm sure. There's going to be a significant increase in terms of the demands on long-term-care beds and the need for them. Is there any strategic planning? Is there any "where we need to be" at that point in terms of how many beds or how many facilities need to be built? I guess if anyone can respond to that, or everyone.

1400

Mr. Saād Rafi: I would say that the strategic plan starts with a community-based model. The supports in the community, I guess, at the far end of the spectrum are institutional, which is long-term-care homes, nursing homes and private retirement homes right through to other types of home supports, predominantly, to try to get that cycle of hospital readmission broken for many of those individuals who are in the 5% of Ontario patients driving the highest needs for the system. So that's part of the strategic planning that's taking place—

Mr. Jagmeet Singh: I think we are all aware of that. I'm talking more concretely, in terms of how many beds you think you need to have, or what types of services you think need to be in place by that point. If you can kind of look ahead, predicting how many beds we need now and the waiting list that we're at right now, where do you think we'll be at that point, and where do you think we need to be in terms of actual numbers of beds or numbers of services?

Mr. Saād Rafi: I can't tell you that because, for me, that presumes that that's the only solution: long-term care. If I did a demographic analysis and then looked at long-term-care bed needs against wait-list, plus, plus, plus, I could generate a formulaic answer. But I don't think that's the utility or the model that the current government nor Ontarians want to see.

So it's difficult for us to say that in 20 years, we'll need X number of beds. Who knows how we will proceed with such things as community health links as the community programs that we have in place? Maybe they will properly help to elongate or prolong people's ability to stay at home. It's a very difficult thing that you're asking us to predict.

Mr. Jagmeet Singh: Sure. I presented the question in terms of just beds, but you're absolutely right. There needs to be some sort of planning in terms of the need to promote this type of health care, this type of prevention plan. We need this many people to be this—I guess this level of health needs to be achieved.

Mr. Saād Rafi: Yes.

Mr. Jagmeet Singh: So there has to be some level of metrics, whether it's not just simplistically looking at beds, but there has to be some planning in terms of where we need to be as a society so that we can accommodate and take care of our elders with the dignity they deserve. But there has to be some sort of visioning that's in place now beyond just loosely saying that, of course, we need to have certain models in place. Is there that planning, and is there some sort of concrete visioning—

Mr. Saād Rafi: Yes.

Mr. Jagmeet Singh: —that is being done—

Mr. Saād Rafi: Yes.

Mr. Jagmeet Singh: —and what are those?

Mr. Saād Rafi: Yes. Okay. If you would allow me, I'd like to explain that. We have established a model called community health links. We're looking at the 5% of Ontarians who have the highest health needs, the poorest outcomes and drive the highest amount of costs. We have very sophisticated data from the Institute of Clinical and Evaluative Sciences, the only organization of its kind in the country, that suggest that that 5% cohort drives 66% of the costs. They have many multiple, chronic comorbid conditions.

We have established now some 46 health links representing about five million Ontarians overall, and 5% of those individuals will get a coordinated care plan amongst primary care, specialists, hospital, community care, long-term care and social supports: housing and food banks. Other social agencies are all participating in these models across the province. We will likely end up having about 80 or 90 of these community health links. Right now, we're tracking, by calendar year-end, easily 51 or 52. The idea is that they will then also have a care coordinator.

So when they run into challenges—let's say it's from a knee replacement, and they have congestive heart failure, diabetes and COPD—their immediate place to respond for care is not the hospital because that creates a cycle of challenges for them that many times they don't

break out of, and they end up being the most challenging clients for my colleagues to have to place. So that is a very distinct strategy that is being deployed at the sub-LHIN level on a community-based approach where 65% of primary care physicians must participate, and it has been voluntary thus far.

Mr. Jagmeet Singh: One last question about complaints, and I know my colleague has lots of questions. Is there a mechanism in place now for residents who want to complain anonymously, for friends and family and perhaps even employees who want to complain about certain practices that are going on that they don't think are proper? Is that in place, a whistle-blower type of protection, and what is that, if it is in place?

Ms. Catherine Brown: We have a program in place; we work with the CCACs. You can complain to the CCAC. There is also a third party that we collectively put in place that allows for that anonymous, no-reprisal whistle-blowing, to use that expression. Where people feel that they do not get the response they would like from the CCAC, they can also go to the health systems appeal board to seek direction from them on service complaints and complaints of that nature.

Mr. Richard Joly: It's called the Long-Term Care Action Line. They can go there, and that's a third party and so on. But then the issue that Catherine just referred to—they go through and exhaust the complaint process that we each have within our organizations, but then the last resort is, we always refer them to the Health Services Appeal and Review Board, which is independent and so on, and they can bring their complaints forward.

M^{me} France Gélinas: I want to come back to the big picture. It's not very often that we have capable and knowledgeable people like you at Queen's Park, so I want to take full advantage of your visit here. You're talking to legislators. Is there something that you're thinking about that you would like us to do that would make the system better? And when I talk about the system, don't think solely long-term-care homes, but a little bit of what the deputy was saying as to what are some of those models—not necessarily focusing on the 5%. I would say, focus on the 95% of us who will age. What are some of those models? What is some of the talk, the buzz within your part of the health care sector?

Interjection: Do you want to do that one?

M^{me} France Gélinas: Mr. Burns, I think they're turning—no?

Mr. Richard Joly: Well, I'm wondering, because Dan has had a lot of discussion with us—just last year, our budget submission and so on—talking about the system itself. It's not all about just long-term care or home care. I'm wondering, Dan, if I can put you on the spot.

Mr. Daniel Burns: Just to say a few things, and partly in response, also, to the way it was phrased by the previous questioner, looking out a little further—some elements of things we need to pay a lot more attention to and, I think, do better at as a large community of people interested in the health of our citizens.

First, we are rapidly increasing the number of people with complicated problems living at home. That means we are creating a tougher environment for family members and friends and small community organizations to support those folks. The good news is that we've got more sophisticated professional support, and we've got more sophisticated technology. But if the world unfolds in the way we're all describing, the need to be effective at supporting the folks who are the supporters is going to rise. I don't think there's any doubt about that. So in the longer term, I think that's one issue that we all have to think a lot about.

M^{me} France Gélinas: And in your thinking, what does the future look like?

Mr. Daniel Burns: On that particular question? I think it's going to need more access to advice. It's going to need better monitoring support technology. It's going to need a more sophisticated respite strategy, both for the individual being cared for and for the people who are doing the caring. There are people doing quite interesting things experimentally in western Europe and North America around these things, people whose populations are already a lot older than ours is already today. I think those are some of the ingredients on that one.

M^{me} France Gélinas: We hear a lot about the northern European countries that made decisions not to build any more long-term-care homes. Their population is as old as ours, if not older. Does that hold any possibilities for Ontario?

Mr. Daniel Burns: On that front, the Ontario Long Term Care Association published a paper two years ago arguing that, as long-term-care providers, they didn't think that we needed to have a dramatic increase in long-term-care supply. We did need to more carefully organize it geographically and by special needs if we were capable of supporting a much larger population of people who need support in community settings.

The European jurisdictions you've referred to are the ones that have actually gone a little further down the road that I just described, although I would say that when it comes to populations of people with quite difficult care needs, in the province we've actually already experienced levels of individuals getting that kind of support that are comparable to the most aggressive approaches that you'll see in western Europe already.

1410

M^{me} France Gélinas: Another thing that the auditor talked about in her report was that there are a range of wait-lists, from 300 days in Central West to 1,100 days in Champlain. I realize the numbers have changed since then. Is there an active strategy to bring equity of access throughout Ontario, no matter where you live, no matter which CCAC you happen to be part of?

Mr. Daniel Burns: As we experience it, within the framework of a LHIN area, there are discussions going on about evolving the service configuration in a community. On the other side, that interacts with the ministry's strategy, so I'd just rely on what the deputy said earlier with respect to that.

M^{me} France Gélinas: Coming back to this, the deputy seems to say that there was no historical pattern of inequity in the funding of the 14 LHINs. Would you agree?

Mr. Saâd Rafi: Could I just correct that? I don't recall saying that at all, actually.

M^{me} France Gélinas: All right. Go ahead; what did you say?

Mr. Saâd Rafi: Well, I responded to a very different phrase that you put in place. What I heard you say was, "Why are the North East and North West CCACs not funded at the same level as the Champlain CCAC?" My musings were that if that was the case, then we would likely go to the highest-cost or highest-funded organization or community, and why would you need to necessarily bring that up to that level?

Some of the other interactions we are trying to undertake to have the North East, Central East or Waterloo Wellington areas—just to randomly pick three—have lower wait times are to work with a home-first philosophy, work with aging-at-home strategies, work with assisted housing to try to make sure that either the care coordinators in the hospitals, the community providers or the contractors they work with are equipped to take on those individuals.

I don't know about the analysis with respect to inequities that may or may not exist. I'm not so naive as to think that there are no inequities; of course there would be, but I don't think that normalizing funding to someone else's level is the solution.

M^{me} France Gélinas: Okay, so let's try the question again. Funding for CCACs was based on the financial support they received historically. Historically, there were disparities. Have those been addressed?

Mr. Saâd Rafi: In some cases, I would say they have. Have they all been addressed? No. I think some of that has to do with how the LHINs allocate the monies they are given. We do provide the funding at a province-wide level, and we have augmented individual CCAC or LHIN funding on a case-by-case basis. To say that that has solved the problem—no, I'm not saying that, but I don't know that the problem is at a magnitude of trying to level funding.

Mr. Jagmeet Singh: But you would agree that part of the solution, in addition to creative solutions and looking at other models for delivering health care, is that certain LHINs in certain areas need to be augmented to offset, perhaps, historical inequities. That would be one of the ways of addressing the fact that some areas have been historically underfunded based on their needs, their geography and their population.

Mr. Saâd Rafi: I'm not qualified or prepared to say that there are historical inequities or underfunding from one LHIN to the next. I don't know that. I have not done that analysis.

I would agree at a prima facie level that inequities exist, and we try to grapple with those as they arise, in some cases prior to allocating funding.

M^{me} France Gélinas: The auditor also talked about a pilot project that the association has been doing to trans-

mit client-related documents electronically. Did it work? Are we making progress?

Mr. Daniel Burns: In the places where it has been put in place, it has reduced the amount of transaction time between ourselves and long-term-care homes dramatically. In Champlain, it has been in place for a while. This is another element of change in the system, where we are working towards the universal application of this particular methodology. We're not quite there yet, but where we have had it in place, it has made a very significant difference in the time it takes to sort out all the pieces that Richard described earlier, that need attention between ourselves, the families and long-term-care homes.

M^{me} France Gélinas: Is this something that you intend to pursue, and what are some of the obstacles in order to get there?

Mr. Daniel Burns: We're on our way to universal implementation. The only impediments are making the technical changes at our end and in the homes and sorting out the agreements between ourselves on how to appropriately protect the data. There is no significant impediment other than the need to just accomplish the work over a period of time.

Mr. Saâd Rafi: But the RAI tool is probably the most connected e-assessment anywhere in the health sector. That follows individual residents. If they have a hospital admission from long-term care, then when they come back, there's an RAI update for those individuals. It actually is the most connected sector within health care, electronically and otherwise.

M^{me} France Gélinas: The Auditor General's fourth recommendation—I suppose you guys all know this by heart—talks about performance measures. I was wondering how this process is improving and moving forward from the CCAC point of view, or their association.

Mr. Gordon Milak: I'll respond to that. We have been working collectively with Health Quality Ontario, the LHINs and the ministry in developing those metrics. We have been following preliminary metrics for some time, but that group has been brought forward and we're ready to start monitoring those with targets to be developed in the next fiscal period. We do anticipate that those will assist in identifying barriers, where there are anomalies across the system. But the consultation is under way at this point just to confirm what those are.

The Chair (Mr. Norm Miller): Thank you, and we'll move on to the government. Ms. Jaczek.

Ms. Helena Jaczek: Thank you all for being here. I'm going to pick up a little bit on where my colleague Mr. Mauro left off, which is in relation to that small number, the 1%, that do get rejected by long-term-care homes. I appreciate these conversations backwards and forwards.

I have a long-term-care facility in my riding which has 125 beds, all Alzheimer's. It's really becoming kind of a centre of excellence. They've explained to me that they phone an organization, Behavioural Supports Ontario, if they need some extra assistance in terms of very difficult behaviours. I'm wondering if, either from the CCAC side

or from the ministry side, you could describe how that works and how, hopefully, that helps.

Ms. Catherine Brown: Certainly. The ministry invested in working with Behavioural Supports Ontario to help support both CCACs and long-term-care homes in providing the services to clients that are harder to serve. As we know, the acuity of clients going into long-term-care homes, as you point out, is more challenging. Behavioural Supports Ontario provides the training and education for individuals in long-term-care homes to help support them in the work they are doing. They've had great success, both associations, the Ontario Long Term Care Association—both the non-for-profit and the for-profit associations are very supportive of the work that has been done and how it has helped them to do their jobs on the ground and to serve those more complex clients.

We also provided funding for the homes to allow staff to be trained. One of the difficulties, particularly for smaller homes, is that they don't have the funds for replacement workers. So you take someone out of service for a day for training and they lose that staff person. We provided them funding this year to allow them to be able to participate in this kind of training and other types of training to support them in the work they are doing with those populations.

Ms. Helena Jaczek: And the CCACs would concur that this has been useful?

Mr. Don Ford: We've been doing the training on behalf of our LHIN, and the results and the feedback from long-term-care homes have been that it has been tremendously helpful because what they're learning are the skills that are necessary to intervene before an individual reaches a stage of escalation where they then become a major behavioural challenge. They're learning the intervention skills, the ability to observe, the ability to know the techniques to use, and the result is that the entire population is stabilizing. We're not seeing the acting-out behaviours to the same degree, not seeing the risk to other patients and, obviously, to staff. The results that we have seen on the follow-ups that we have done have been very, very positive.

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There's obviously an intention to try to move that now into communities so that the individuals who are dealing with people in their homes can learn those same skill sets so that they can help manage those individuals in their homes and help with family members who can manage individuals. So we're beginning to tier it out. The success, I think, has been recognized as very, very important and a good investment.

Ms. Helena Jaczek: Thank you. Just looking at that first recommendation from the Auditor General related to a consistency in terms of ranking applicants, especially the crisis category, I'm wondering if you could just tell us about the progress you're making in terms of ensuring consistency, and also comment a little bit on the spousal reunification issue. Certainly we've heard in the Legislature some very heart-rending stories related to spousal

reunification. So maybe if you could just explain how we are now moving toward consistency across CCACs and how spousal reunification is being handled.

Mr. Don Ford: Well, with respect to the first question, the strategy that we have in place is that we will have rolled out a full implementation of a standardized ranking tool by November 2013 across all CCACs, so that issue will have been dealt with, and we will then monitor it to see whether or not it needs to be modified based on our experience as we have rolled it out consistently across the province. So that's—

Ms. Helena Jaczek: That's going well.

Mr. Don Ford: —how we've addressed the first recommendation.

Mr. Gordon Milak: I'll answer the reunification process. Certainly, reunifying spouses is the second-most-important priority, right behind crisis placement. Obviously, there's a very human impact in this.

What we find is that there is still choice in terms of which home that couple choose to reside in. So, again, the wait time for that reunification is tied very much to the homes that are selected. In many cases, that's also going to be very much driven by proximity to their family, to their friends, to the community that they have been in. So there is wide variability.

However, our care coordinators do more than just the assessment. The assessment is very much the science, but there's a great deal of art in terms of helping individuals and their families really understand all the care options that are available to them so that they can truly make informed decisions. That's taking into consideration those subjective components, but also all of the other life changes, all of the other dynamics that are involved in that family's life.

Ms. Helena Jaczek: Okay. Thank you.

Again, in I guess it was the Auditor General's second recommendation related to wait-list management, we understand that there are some ministry initiatives that have commenced since January 2013. I see a reference to expansion of short-stay convalescent care programs. Could you just expand—I suppose it's a ministry question—as to what exactly that comprises, what it looks like, how many people are being served?

Ms. Catherine Brown: Certainly. The ministry provided funding to enhance or expand the number of convalescent care beds. These are beds that are for a shorter stay, say up to about 90 days. Also, to the questions that were raised earlier, there are a small number of under-utilized beds in homes that may be less desirable for people, and it allows those beds to be put into use.

So we announced funding for 250 beds, and 150 of those are up and running. The remaining 100 will be up and available by the end of this calendar year, so over the next couple of months.

In addition to that, we changed the way in which people get referred to those beds, so much of the conversation that has been had today on long-term-care beds around choice and first choice—for the convalescent care beds, we have changed the regulation, and that goes into

effect November 1, to allow those individuals to be referred to the first available bed. It doesn't completely eliminate choice. They can refuse that bed. But it takes away from the administrative process that was required for those very short stays to find out and assess and determine which preference an individual had and gives them the option to go into the first available bed to get the care they need for that very short stay. That allows them to then return home, their health restored, and to go back into the community or their home where supports can be provided.

Mr. Saäd Rafi: Sorry to interrupt. There's a large intangible component to this as well. Although it's already serving 1,500 seniors annually, the confidence that family members get from knowing that there's this transition out of hospital into the home, as opposed to going directly from hospital to the home—I think there's sort of a bias that we all have that, “If you're coming out of a hospital, I don't know how to care for”—it could be all manner of things; I don't need to tell you. That's going to be hard to quantify, but I think it's a very important feature.

Ms. Helena Jaczek: Yes. Since we know people prefer to stay in their own homes and we're moving towards more and more community-based care, has there been any attempt to actually de-institutionalize individuals from long-term-care homes? Again, the Auditor General referred to, I think, Health Quality Ontario looking at care needs of people currently in long-term-care homes, or who were in 2012, saying that perhaps they could have been cared for in the community. Is there any program to actually review who is currently in long-term-care homes with a view to perhaps talking to the family, talking to the patient and saying, “Could we try it outside?”

Mr. Saäd Rafi: I'm not aware that the government is pursuing a program in that regard, but of course if an individual feels that they don't need long-term care and they would like to reunite with a family member, would like to live with a child, they're able to do so. I think that these folks could be better judges, but they would say that with of the acuity level, the challenges that people are facing today, that is becoming exceedingly unlikely.

Mr. Richard Joly: There's less and less every day. Back in 2012 and even before, yes, it was a larger number because there were no other options. With the increase in investment in assisted living, enhanced home care and so on, there are more options, and that's why we see the higher acuity level in long-term-care homes. The likelihood of them being discharged is likely not. But I know we've had some success. As an example, when there was investment in additional assisted living, we went through the homes and said, “Could you identify people that could go in assisted living?” And we have successfully transitioned some.

Ms. Helena Jaczek: Into assisted—

Mr. Richard Joly: Not large numbers, but some numbers.

Ms. Helena Jaczek: I was intrigued by the difficulty in projecting. Mr. Singh was sort of, “Can’t we plan for maybe 2021?” and so on. But I guess what is actually happening is that we are looking at other models. I’ve had some constituents make a suggestion to me, which is, “Okay, home is best—in your own home.” A long-term-care facility is kind of daunting. Is there any possibility of something in between, sort of group assisted living within more of a home-like setting where CCAC would be visiting etc? I’m wondering to what extent you’re considering completely different models.

Mr. Richard Joly: We hear that all the time, various options and so on, and I would say there’s probably all kinds of examples across Ontario. Is there a provincial strategy to say we must do that? No, but the indication on investments in home and community care, which is broader than CCAC, indicates to us there is a strategy to actually invest in those areas. Therefore, as a result, these innovative models are coming into play and allowing seniors to congregate, essentially, and support themselves from a social point of view, from a health one, and so on. But then we provide the additional support that they require prior to going into a long-term-care home, or even delay the long-term-care admission forever.

Ms. Helena Jaczek: Right.

Mr. Saād Rafi: If I could just add, we are looking at—we put out an RFP for providers of care in the community. We competitively chose three pilot sites where we’re looking at a campus of care. Those happen to be the Schlegel site, Bruyère in Ottawa, and Baycrest. What we’re looking at there is independent living right through to palliative care and every type of care need in what I’ll call a home environment that they have put forward, so that one can really be in the community and see how you can go from having a great deal of independence to where maybe you would need a great deal of assistance throughout those years. We have not yet received the evaluation of that pilot, but we’re very hopeful that that will start to address the types of things that these folks hear every day.

Ms. Helena Jaczek: Yes. Thank you.

Mr. Don Ford: The other thing that we’ve done is we are looking in our region and trying to look at the construct of clustered care, where you’ve got a number of individuals who may live in an apartment building or a complex area. So we’re working with our service providers to try to make sure we’ve got a consistent service provider doing the nursing and the personal support so that they can then go in and manage that population in a different way, which is a bit more responsive, a bit more immediate, and a different way of thinking about it.

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As the deputy says, as this funding has come into the system, we’ve had a capacity to be a bit more creative about the way we think about the populations that we’re serving and move to a congregate where we’re not moving them into another environment—they’re in their environment already—but we’re allowing them to be

more successful in providing congregate supports in those fashions.

So I think there are different models, as Richard says, that we’re testing throughout the province by virtue of people’s willingness to be creative.

Ms. Helena Jaczek: How much time do I have left, Chair?

The Chair (Mr. Norm Miller): You have six minutes.

Ms. Helena Jaczek: Okay. I’ll just go back to Madame Gélinas’s talk about historical inequities and so on. Obviously, I come from a very high-growth area, so I would just like to say to the deputy that I’m a great fan of HBAM. I certainly get from my CCAC in the Central LHIN a real desire to move to address our population growth. We know you are addressing it. There’s simply a comment that I get all the time: that we need to move to, at least, that needs-based allocation method in as timely a fashion as possible. So I just put in a plug right there.

I think we’ll save our time for the—will we get any?

The Chair (Mr. Norm Miller): If you want to save it, you can save four minutes.

Ms. Helena Jaczek: Yes. Thank you.

The Chair (Mr. Norm Miller): We’ll go to the opposition then. You have seven minutes left.

Mr. Bill Walker: I want to go back a little bit to the plan for the renovations. Do you have any stats? Have you done anything comprehensive in regard to—particularly in a rural area—if there are homes that people may be deeming to not be satisfactory, and that’s one of the reasons they’re not choosing? If that’s the case and you have some definitive information on what the plan is to actually enhance those—because in many of the areas that I serve in Bruce–Grey–Owen Sound, that would be the case: where many times it’s a very old home; it maybe hasn’t had the upkeep that it could have over the years, and people start saying, “Oh, I don’t want to go there. I want to go to the brand new one somewhere else.” To me, every time you take someone out of that community—and again, we get into geography, we get into winter conditions, we get into the lack of transportation—that becomes very problematic for the families. Are there any plans there to really put a focus on those homes that may be sitting partially empty, as opposed to maybe where the plan has been going? You referenced earlier that it hasn’t been rolled out as well as you would have liked. Is there any plan at all to focus on those areas?

Mr. Saād Rafi: Yes. On average, we have 98% occupancy, but since that’s an average, of course we would have some homes that have several beds available to them for some of those reasons perhaps. That creates the types of fractures that Madame Gélinas and yourself have already pointed out, in that people may have to go across town to see their loved one, and they may not have the ability to do so themselves—as a spouse, for example—and that gets more and more difficult. In some cases, the children don’t want to travel to see Mum, and they want Mum wherever they want Mum.

What we're working on currently is looking at the breakdown of the wait-list—not the transfers that are already in a spot, waiting; so net of the 40%—and the homes that are B and C beds, and first off, just doing the mapping of those. Then, what we want to do—what I'd like us to do, anyway—is approach the individual owners of those homes and ask, "What are your true impediments for not developing these beds?" and find a way that we might be able to make that redevelopment happen. My suspicion is that there's probably one easy answer: more money. That's going to be difficult for us in times of restraint, but maybe there are other things—and a couple that have come up are a longer licence period to help the redevelopment be financeable. So if your licence has 10 years remaining, we would say, for the redevelopment, "We'll give you another 25-year licence." That makes it financeable with a mortgage lender or a financier.

So we are looking at various things. We've got great feedback from the sector, and we need to address those issues.

Mr. Bill Walker: Very good. In our case, it isn't across town; it's 30, 40, 50 miles in the dead of winter, so it's a much more pragmatic reality.

So I'm glad to hear that, because, again, some of the homeowners I've been talking about—for the most part, I find them very entrepreneurial, and they want to expand. They want to be there, and yet they're getting caught in a no-person's land. They're saying, "For me to invest the type of money that's being expected of me, with only a two- or a five-year licence, then why would I do that?" No one is actually going to do that. What they were sharing with me was that there wasn't a lot of flexibility to look at that long-term licensing. I think it's like anything. If you've got the business plan—they don't even necessarily need government financing; they'll go and get their own financing in any case. Why wouldn't we do that, particularly in times of extreme fiscal restraint that we find ourselves in? So it's good to hear that.

A different area but similar are culturally appropriate homes. What again are you hearing as far as—what are you trending and what are you tracking? I guess where I'm really going with this is, there's an increasing demographic, particularly in many of our urban centres but in some rural areas as well, and that's only going to continue to expand. So what are the plans? We can't be waiting until five years into the problem to be addressing it. Are you ahead of the curve there? Is that something that you're anticipating and is a priority?

Mr. Saäd Rafi: To have, for example, homes where people who are preferring—you know, since maybe their mother tongue is Mandarin, that they would have the ability to have a facility like that. I don't know that we—have we done any prioritization? I suspect we have not.

Ms. Catherine Brown: We have not done a provincial mapping of those populations to determine where that would be, but through the market sounding that the deputy referred to earlier, we have heard there is a need for that. That being said, when we look at some of our

underutilized homes, they are sometimes—there is a home in northern Ontario that is a francophone home that is under-bedded because of the distance of where it is. So it's designated for that population. It doesn't take non-francophone, which is appropriate, but it is left under-bedded because the distance it is relative to the northern landscape is problematic. So how do you map that and not have it be so specific that you can't fill the beds and yet accessible enough that you can serve populations in the language and the culture of their choice?

Mr. Bill Walker: The key, I think, to many—and I'm still a newbie. I've only been here for two years and a couple of days, so I'm still learning lots and have lots to still climb. But I think one of the things that I'm unfortunately consistently hearing in many areas of our jurisdiction is that it's the planning that's what's lacking, the foresight to be ahead of the game plan.

I met with some medical students about six months after I arrived, and they shared with me the story that there's really nobody mapping how many docs of a specific area we need. So everybody goes in and becomes very specialized, but there are three placements for them, and yet over here there are 500 needs for general practitioners. We all keep screaming about it, but why weren't we doing the planning?

I made the assumption, to be honest, before becoming a politician that that would be a key component of the ministry, to say, "How many docs in this area do we need, how many in this stream, how many in this stream?" and we would gear our schools to actually produce those, as opposed to just, "Everybody take whatever you want," and then we find that we've got 60 doctors who can't practise and we have need.

So this is a similar type of thing that I think we obviously see in the urban centres—specifically, growing trends—and we need to be there. I think the consultation with the stakeholder community, to say, "What do you"—you know, they have the answers to the secret. We should be working and dialoguing very much ahead of them and looking out beyond to ensure that those are there when we need them.

Mr. Saäd Rafi: Maybe a couple of things on that. I think that individual communities have responded for the needs of their ethnic community and have done just a remarkable job, and, yes, that's on their own philanthropic activities. I'm not suggesting that that should be the sole reliance. I'm just saying that that has been one response. Other matters that come up are, will we have the capacity in that community for that type of home? That's difficult to plan for, but I don't discount the need to do the planning.

If I could, just on the physician piece, actually, Ontario has led the country with having the only 25-year model for physicians and nurses going out in terms of supply needs. We have talked with deans of medicine about this. We have identified what we know demographically and what we're not seeing in terms of medical education—how much time is spent in a general practitioner model, on gerontology? How much is spent

on orthopedics etc.? So those things are slow shifts, but they are shifts that are taking place.

Now this is happening at the national level, but students themselves also make choices about what specialties they want to go into, and since it's 10 years to build a physician—it's a 10-year exercise—that's a dial you have to work. Change is slow, but we are currently examining that based on research that was sponsored prior to my arrival, so I won't take credit for it, obviously. But it's something the other jurisdictions are looking to Ontario for.

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Mr. Bill Walker: I'm pleased to hear that—

The Chair (Mr. Norm Miller): Thank you. We'll move back to the government.

Ms. Helena Jaczek: Have they used up their time?

The Chair (Mr. Norm Miller): Yes. Go ahead, Ms. Jaczek.

Ms. Helena Jaczek: We've covered a lot of ground and, in essence, have even gone beyond what the Auditor General talked about.

I'm sort of echoing what Madame Gélinas said. From your point of view, can you see further improvements that are on the horizon in terms of the actual operations of the CCAC? Maybe you would like to talk to us about your relationship with the LHIN, the ministry.

It's interesting that you're here and we don't have the LHIN here, because presumably the LHIN is involved in what we've heard is the crisis situation when a hospital absolutely has no more beds and ALC patients are blocking beds and so on and so on.

Can you talk a little bit about the relationship: the ministry, the LHIN, you? How does it work? Is there any room for improvement?

Mr. Daniel Burns: There's obviously no part of public service that isn't capable of being improved, so let me just touch on one theme, and that is the positive benefits that come from better real integration of professional practice. We've touched on a few today, but they're only part of what we're doing.

We touched on the positive consequences of electronic exchange of materials with long-term-care facilities but that our other partners, which include primary care hospitals and other community agencies—we're all progressively working on exactly the same format with all of them.

Mr. Barrett asked a number of questions earlier about understanding the way in which assessments and reassessments work. There are now a large number of hospital settings in the province where discharge planning and our assessment are not separate processes. Actually, in smaller settings, there are a number of cases where one professional is actually doing both of those pieces of work. As we've said before, a discharge docu-

ment from a hospital is largely a medical document. It's not a broad-based community assessment, but there is a connection.

I think what you're finding progressively are more and more benefits from integration that come from technology, but also from the development and use of common professional practice.

The Health Links initiatives that the deputy alluded to earlier—I'm actually going to tell one of Don's stories. One of the most interesting things about it in the early going was that, in collecting a bunch of health sector practitioners in a community, looking at a very particular population, they'd spent two or three meetings actually understanding what the other ones really did and what they meant when they said they do this. "When you say you do assessments, what is it you're actually doing? Because I do assessments." Now we have a much better knowledge of all that.

That's a series of snapshots of a flow of benefits to patients that are coming from real integration.

Now, what is the LHIN piece of all this?

Ms. Helena Jaczek: Yes.

Mr. Daniel Burns: Well, they are charged, in part—what do they do? Regional planning, administration of annual funding arrangements and reporting thereon, and change management.

What I just described is a group of snapshots of changes that are improving the system, and the LHINs have an important role in fostering that, in funding it and in convening it.

But I would say at the end that it's only going to work when we all own it. Just speaking on behalf of my colleagues, we own this one. We are completely and totally committed to making integration—those interfaces—work better.

Several of you have raised questions about how those transitions work for patients: Mr. Barrett, when it came to assessments, family reunification. They're all on our agenda, and they will all benefit from professional practice and technology allowing better integration.

Ms. Helena Jaczek: And the structure of the LHIN facilitates that, would you say?

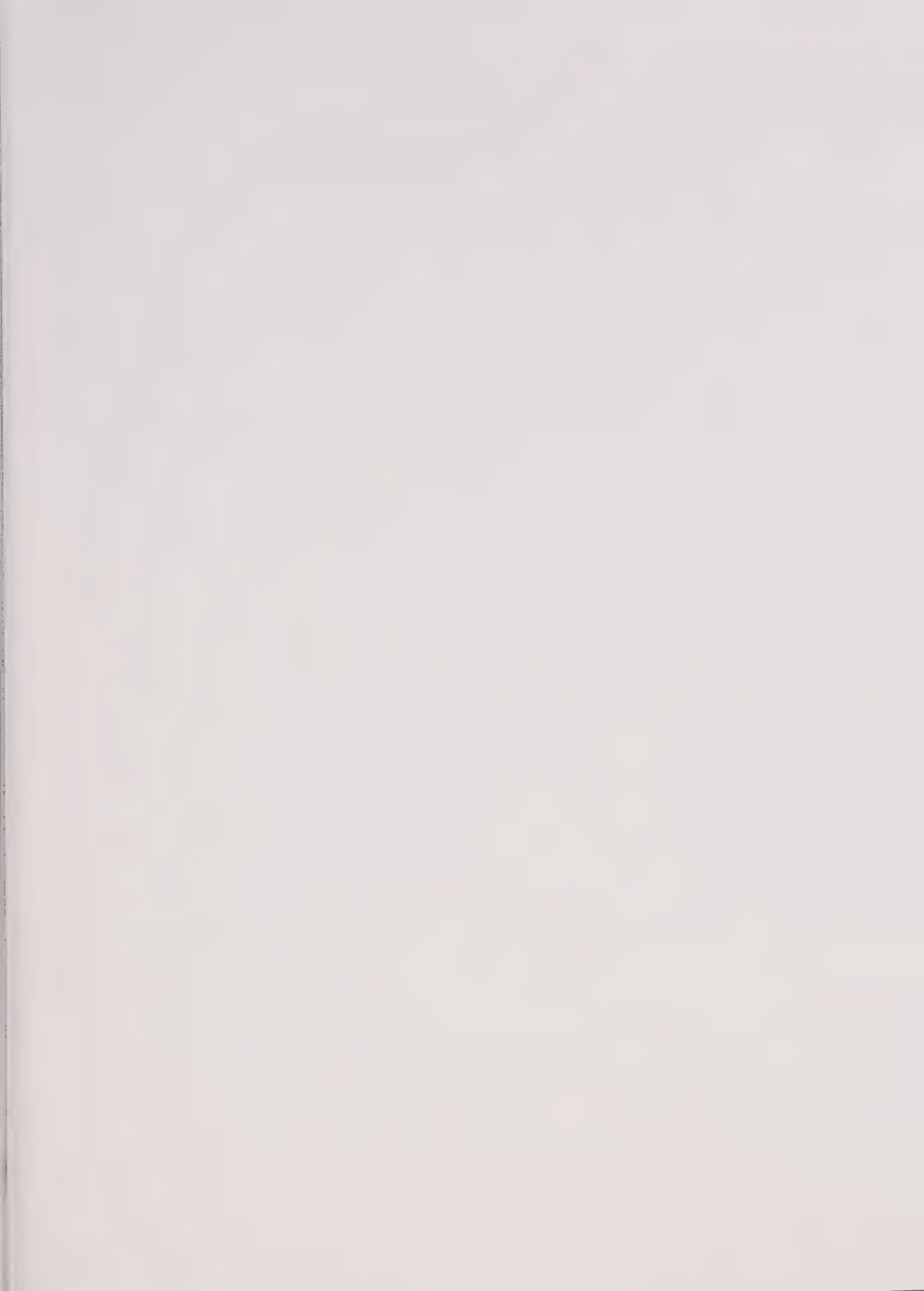
Mr. Daniel Burns: The regional structure, which they have a responsibility for, with respect to planning and change management—most of them, I'd say, have a good scale for allowing these conversations to take place. I think, in fairness, a couple of them are pretty big.

Ms. Helena Jaczek: Thank you.

The Chair (Mr. Norm Miller): Thank you very much. We are out of time, so thank you very much for coming before the committee this afternoon. We appreciate it.

We are now recessed and going into closed session.

The committee continued in closed session at 1445.



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Official Report of Debates (Hansard)

Wednesday 23 October 2013

Journal des débats (Hansard)

Mercredi 23 octobre 2013

Standing Committee on Public Accounts

Special report, Auditor General:
Ornge Air Ambulance and
Related Services

Comité permanent des comptes publics

Rapport spécial, vérificateur
général : Services d'ambulance
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Wednesday 23 October 2013

Mercredi 23 octobre 2013

The committee met at 1402 in room 151, following a closed session.

SPECIAL REPORT, AUDITOR GENERAL:
ORNGE AIR AMBULANCE
AND RELATED SERVICES
WABUSK AIR INC.

The Chair (Mr. Norm Miller): I'd like to call the committee to order. I'd like to welcome Paul Cox, president of Wabusk Air Inc., who will be before the committee this afternoon. Our Clerk has an oath or affirmation for you, Mr. Cox.

The Clerk of the Committee (Mr. William Short): The Bible is in front of you there, Mr. Cox, if you'll just put your right or left hand on it, whichever is better for you.

Mr. Paul Cox: Yes. Left hand's there.

The Clerk of the Committee (Mr. William Short): Mr. Cox, do you solemnly swear that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. Paul Cox: I do.

The Clerk of the Committee (Mr. William Short): Thank you.

The Chair (Mr. Norm Miller): Very well. You have some time for an opening statement if you want to make one. Otherwise, we'll go to questions.

Mr. Paul Cox: Yes, I don't have a whole bunch. On the whole, the experience with Ornge has been getting better over maybe the last year, since we've actually signed a contract. We have been on renewals up until approximately six months ago. We have been renewing contracts, and things haven't changed a whole bunch up to then. But like I said, everything has gotten better.

There are a few things that can't be undone from back when we first started to bid to work for Ornge. There is the issue of all the operators having to hand over proprietary information. Stuff like that can't be undone. So we had to hand over some proprietary information, which is ongoing, but nothing to do with the function of Ornge and how we operate now. That's behind us; it is what it is.

A lot of stuff has been addressed. Our big thing is we wanted to go ACP when we first went in as well, when we entered into negotiations with Ornge, and it wasn't an

option because Ornge kind of gobbled up all the ACPs, for lack of a better word. They seemed to take all the ACP positions, and they hired a lot of the people so there was nobody left. So we didn't have a chance to participate in the advanced care program.

Having said that, we had issues a while ago where Ornge was stealing a lot of carrier staff, which I don't see as being a problem anymore. We don't have such changeover.

Again, I see things going in the right way, to be honest. There are glitches. It's a big outfit; there's a lot of stuff. But really, like I said, things are changing for the better there.

In the beginning as well, we carried some pretty heavy balances for Ornge, well past 90 days, well into six figures. It's not an issue anymore. Everything I think is pretty much up to 90 days. We have no real complaints there. Other than that, that's really all I have to bring.

The Chair (Mr. Norm Miller): Very well. Thank you. We'll start with 15 minutes per caucus. I understand we're going to start with the NDP. Ms. Gélinas.

M^{me} France Gélinas: You are. It's a pleasure to have you here, Mr. Cox. Thank you for coming down. How did you come down?

Mr. Paul Cox: You don't want to know. I started out yesterday morning to get on a flight, and it was weathered out. Then the second flight was full because the first flight was weathered out. I ended up on the train last night, arrived into Cochrane at 10 o'clock last night; drove all night, got in to North Bay at about 3 o'clock; slept for a few hours and drove the rest of the way down this morning. If I look baggy-eyed or I get cross halfway through, it's because I haven't slept a whole bunch.

M^{me} France Gélinas: I appreciate all the effort you've made to come down here, and we thank you for being here today.

I enjoyed your opening statement. You were there before; you've seen the changes and you are still there. In your view, if you were in control of it all, would you have some recommendations to make things better?

Mr. Paul Cox: I really believe it belongs back in the public sector the way it was before. Maybe a few key bases that somebody doesn't want to be or whatever—if there was a reason why somebody wouldn't man them or take them or want them and the province felt the necessity for that to be a base that then they step up and do what needs to be done.

There's been a lot of money spent on a lot of airplanes and a lot of our backs ridden and work taken from us. We could have grown our businesses substantially—myself and most of the other carriers probably—if, from day one, we were awarded the stuff we bid on and then the advanced care and then furthermore. You know what I mean?

But all in all, as you've said, it is getting better.

M^{me} France Gélinas: What percentage of your business right now is patient transportation?

Mr. Paul Cox: I'd say about close to a fifth, from a quarter to a fifth.

M^{me} France Gélinas: And the other four fifths, you do—

Mr. Paul Cox: We're based in Moosonee, obviously, as you know, so we're a hub community or a railhead community. Everything north of us is by air, so we service basically charter to freight to whatever. We're just an air taxi. If it goes in an airplane, we'll do what we have to do.

M^{me} France Gélinas: To get it there and get it back?

Mr. Paul Cox: That's it, yes.

M^{me} France Gélinas: Okay. Right now, you are able to recruit and retain a stable workforce. You talked about the problem you had when Ornge first came—

Mr. Paul Cox: Yes, we have a pretty good workforce. A lot of our employees are full-time employees of Ornge, and they do rotations and they'll come to us on rotations. We have a lot of full-time, part-time people that do rotations.

Advanced people are still impossible to get, and I believe even Ornge is waiting for advanced people, to be honest with you. It's something to do with the training and the bridge course, but I believe there's something in the works with that where they're trying to get one of the colleges to help with that. Hopefully, in the future, that problem goes away as well. So there is a shortage of advanced care paramedics, which I don't believe is Ornge's fault. It is what it is, again. But there are steps being taken to resolve the issue. But no, we don't have the transfer patients. Like, at one point, we had lost 12 medics in one year to Ornge.

I would say we've had the same crew now for the last year and a half or so, and then some guys longer than that. So no, it's really slowed down substantially.

M^{me} France Gélinas: You feel your workforce is stable now?

Mr. Paul Cox: I believe so. For primary care, yes; advanced care, no—we need medics. Ontario needs medics.

M^{me} France Gélinas: You are in support of having a bigger role played by the colleges, not just having Ornge train, but also having—

Mr. Paul Cox: I would prefer that anything that Ornge doesn't have to do to be in conflict should be in somebody's hands, to be honest. That just makes sense to me.

M^{me} France Gélinas: Your primary care medics, they were college-trained and then—

Mr. Paul Cox: A lot of them, college-trained, came in. They have to be landed. A lot of the guys we have now actually came to us first. We certified them for air; they went to Ornge because of the rotation benefits. A lot of guys don't want to live in Moosonee, so we get rotation guys or girls. But most of them are full-time employees of Ornge, part-time of ours, even though they're on a rotation base.

But we are filling our roster. We don't have an issue with that right now.

M^{me} France Gélinas: Okay. They happen to be full-time employees of Ornge, but they come and do shifts for you on—

Mr. Paul Cox: That's correct. They come on. They work with Ornge, and the average is two weeks on, two weeks off. They come to us on their two weeks off.

M^{me} France Gélinas: Do you deal with Argus at all for auditing?

Mr. Paul Cox: Absolutely. We actually hold a platinum rating with Argus. They're coming up next week or the week after again for probably our third audit with that particular company.

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M^{me} France Gélinas: How much does it cost to have a platinum—

Mr. Paul Cox: You can't buy it. All platinum status means is that you meet or exceed standards as per the regulations. What they do is they audit you, much like anybody would audit. They take the standards, which is the law, the rules and regulations of air, and they audit your manuals and your training files—everything—and they audit it to that. Either you're in compliance, not compliant or you exceed the compliance standard, kind of like an MOH audit but with airplanes.

M^{me} France Gélinas: Do they actually come to Moosonee?

Mr. Paul Cox: Absolutely.

M^{me} France Gélinas: How much time do they spend?

Mr. Paul Cox: Two days.

M^{me} France Gélinas: And do they actually look at your aircraft, talk to your staff? What do they do?

Mr. Paul Cox: Absolutely, yes. There are interviews of key personnel. It's a full audit. They go through everything. It's the same as Transport Canada walking into your hangar and going through it.

M^{me} France Gélinas: And just because I am a little bit ignorant, what's the relationship between this audit and Transport Canada?

Mr. Paul Cox: Absolutely nothing.

M^{me} France Gélinas: There's no relationship between the two?

Mr. Paul Cox: Transport Canada audits us as they feel. Argus is put in place by Ornge, and Ornge has decided they want somebody to keep tabs on the operator, so to speak, their compliance, without relying on Transport Canada to do it. So my understanding is that they have initiated Argus to do it.

M^{me} France Gélinas: Oh, I see. So Transport Canada could still drop into Moosonee any time they want and do—

Mr. Paul Cox: Absolutely. Yes, there's CTA, which is the Canadian Transportation Agency, and then there's Transport Canada. The CTA governs fares and rights and wrongs. Transport Canada is legislation, the rules and regulations of CARs, which is what we call the Canadian Aviation Regulations, and they govern that.

M^{me} France Gélinas: So they could still come and audit you at any time?

Mr. Paul Cox: They come and they spot audit. They show up whenever they get the itch that they don't want to be in Toronto or Hamilton anymore. They jump in the Citation, their airplane, and they fly up for a visit. Yes. And they do it to every operator.

M^{me} France Gélinas: So you say that Argus is coming to Moosonee next week?

Mr. Paul Cox: Yes, I believe—within the next two weeks, before November. So that's next week. Yes.

M^{me} France Gélinas: How often do they come?

Mr. Paul Cox: Argus comes once a year, I believe. But they come based on what Ornge—my understanding is that Argus is employed by Ornge, because they're not even a Canadian company. They're actually an American company, I believe.

M^{me} France Gélinas: They come and they do their audit. Do you get to see what their audit is all about?

Mr. Paul Cox: What happens is, when you do an audit, you go through it. They'll tell you whether you comply, don't comply or whatever, and then give any suggestions they have. Yes, you get a debriefing at the end. If you have deficiencies, or you have whatever, you're definitely made aware of it. You have to correct and supply the corrections to them as well.

M^{me} France Gélinas: And are they useful? Have they brought forward suggestions that were useful?

Mr. Paul Cox: They're good. Good paperwork. Good fences make good neighbours. Yes, it's a very good tool for an operator in my opinion, yes.

M^{me} France Gélinas: How much do they charge you to come?

Mr. Paul Cox: They don't charge me anything. Like I said, Ornge pays. I have no idea.

M^{me} France Gélinas: Okay. So they just drop in and do their work. They show you—

Mr. Paul Cox: They call us a month ahead, or two months ahead, and say they're coming. "Here are some dates. Let's schedule."

M^{me} France Gélinas: So they're coming in November. When was the last time before that that they came?

Mr. Paul Cox: It would be roughly a year, I would say, without looking at a calendar.

M^{me} France Gélinas: So about every year?

Mr. Paul Cox: Yes.

M^{me} France Gélinas: How about Transport Canada? When was the last time they dropped—

Mr. Paul Cox: They can be anywhere from one to three years. Last time they were up was probably a month

or two ago when they stopped by for a visit. A full audit from Transport Canada was probably two years ago.

M^{me} France Gélinas: I want to take you back in time. You've been there for a while. I take it you know what has happened to Ornge. Dr. Mazza is no longer there. The board is gone etc. We won't miss him.

Before all this happened, did you know that something was wrong at Ornge?

Mr. Paul Cox: Something wrong, maybe not. But would I do things that way? You know what I mean? I don't think the government would ever run a business quite like I would run a business, or the next guy wouldn't run the business the same as me. So I don't know if—that's kind of a loaded question. Anybody can find fault. It's easy to look back and say, "Yes, you should do it like that." It's whether in actuality it's correct or not.

M^{me} France Gélinas: Okay. So let's say right now you would be made aware that something is wrong at Ornge. Would you know what to do?

Mr. Paul Cox: Depending on what you mean by "something is wrong."

M^{me} France Gélinas: If you think that there's misappropriation of funds.

Mr. Paul Cox: There was misappropriation of funds the day they bought the airplanes.

Laughter.

Mr. Paul Cox: What do you want me to say? I'm sorry.

M^{me} France Gélinas: That's fine. Are you aware that there is a whistle-blower policy at Ornge?

Mr. Paul Cox: Absolutely. We sign on our contract that there is a whistle-blower policy, yes.

M^{me} France Gélinas: Do you know how it works?

Mr. Paul Cox: I never really dug into it. I went through it on the contract when we filled it out and looked through. I've got an understanding of it, I guess. Transport Canada has the same thing; a lot of agencies have a typical thing like that.

M^{me} France Gélinas: Okay. I'll let it go around.

The Chair (Mr. Norm Miller): Go ahead, Ms. Jaczek.

Ms. Helena Jaczek: I just wanted to explore a little bit your opening statement that "things are getting better." Could you characterize what you mean more specifically? Is it an issue of communication?

Mr. Paul Cox: At first, it took a very long time—when we first started out, the frequency of the work was there, but Ornge kind of grabbed everything and everybody else got the crumbs. They seem to be a little better at divvying up the pot. The bills are definitely getting paid on time, or much—it's not unmanageable for us anymore. Like I said, they're not taking our staff anymore, and that came with Ted Rabicki, a few of the people we met with. We had a committee started up at one point, but it fell apart. Everybody who was on it shouldn't have been on it anyway.

Anyway, yes, there has been progress that way. It's very hard to go to work when somebody is stealing your

employees. But it all seems to have settled now. I'm much more content now than I was, I can tell you.

Ms. Helena Jaczek: What about dispatch issues? Are you ever aware of an issue where they're ready to go and—

Mr. Paul Cox: Dispatch—that's a whole new ball game. That's actually on my list, but I didn't even want to touch on it, because 793 is not really an issue right now because I think they're just bringing it back online. But, yes, there are lots of days that we'll get a call from a call centre and they'll schedule a flight for, say, 7 o'clock, but we know there's no way we'll be wheels-up at 7 o'clock because that's shift change. We know it can't happen before 8 o'clock because the 7 o'clock guys aren't going to do it and the other guys aren't coming in early. You can't tell dispatch—you really have to watch what you do, but there are days like that. I think they've gotten a little better at that, too. They're starting to realize that you take delays and you take delays—

Ms. Helena Jaczek: So you've been able to talk to someone about this issue—

Mr. Paul Cox: Usually. Ted Rabicki used to be kind of a go-to guy, and there's a new fellow in there I haven't met yet. We used to be able to accomplish stuff. It was pretty open-ended. We talked, and there was never anything major. It was a big deal at first, because what would happen is they would call us out and they'd start our duty days, and we know we're not going to leave until 10 o'clock—well, they knocked three hours of our day where we can actually go fly and generate revenue. What happens is they park us, so you lose three hours of your potential day.

Now they're paying from the minute—when you're scheduled to go up, if there's a reasonable delay, we get paid a holding time, which is not a lot, but at least it pays to have our crews and everybody on standby, and it's something. Before, you never got a delay until after you were wheels-up on your first leg.

Ms. Helena Jaczek: This was something you brought to their attention?

Mr. Paul Cox: It's very pronounced in Moosonee because we have the helicopter hops. Most places don't have that, but being the hospital on Moose Factory Island and everything—had to do a hop. Nothing could ever happen until the helicopter moved.

Staffing issues on the helicopter were a big issue for a while as well, because they'd have a flight the next day from Moosonee to Kingston booked for us, but for some reason the helicopter couldn't go, and they didn't have the boat in the water or the ice road wasn't in, and that call gets scrapped for us for the day. So we don't get called out of the barn, we don't go to work, we don't make any money that day.

Ms. Helena Jaczek: But since you've been able to communicate—

Mr. Paul Cox: It seems to be getting better.

Ms. Helena Jaczek: Okay. I'll just turn it over to my colleague. Thank you.

The Chair (Mr. Norm Miller): Mr. Mauro?

Mr. Bill Mauro: Thank you, Chair. We're going to try to save a bit of time, so if I'm going beyond five minutes left, if you'll just give me a little nod or a wink, I'd appreciate it.

The Chair (Mr. Norm Miller): Sure.

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Mr. Bill Mauro: Mr. Cox, thanks again for being here.

Mr. Paul Cox: You're welcome.

Mr. Bill Mauro: You had quite an incredible journey to get to Queen's Park today, and we appreciate it.

Mr. Paul Cox: I've never been, so I guess we'll say it was worth it.

Mr. Bill Mauro: Yes. Well, take a little time and walk around. It's an impressive place.

Mr. Paul Cox: Yes, it's an absolutely incredible building. It is.

Mr. Bill Mauro: Tell me a bit about the name "Wabusk Air." What's the—

Mr. Paul Cox: "Wabusk" is "polar bear" in Cree.

Mr. Bill Mauro: "Polar bear" in Cree. I thought there might be a—

Mr. Paul Cox: Yes. In 1995, we started out. I started the business—one airplane—all by myself, and here we are today.

Mr. Bill Mauro: Your opening statement captured, I think, where the committee has been for quite some time: There were problems, and now it has gotten better, which—

Mr. Paul Cox: It's certainly not perfect, but definitely better.

Mr. Bill Mauro: Sure, and it never will be. I would tell you, as sure as you're sitting here today, in five years there will still be things that people would consider can be done to make it better. But we're happy to hear that it has improved significantly under the new administration.

By your definition, you described your operation—I think Ms. Gélinas asked you a question, and I was asking other deputants the same question in weeks past, about the percentage of your business that is allocated to Ornge ambulance. I think you said a quarter to a fifth?

Mr. Paul Cox: A quarter to a fifth; that's correct.

Mr. Bill Mauro: So for the rest of it, you are charter, you're a passenger carrier, you're a freight carrier, you're doing everything else.

I'm interested in when Argus—that's doing the audits, the compliance piece on behalf of Ornge, at no cost to you—they visit your operation, and they audit the piece that is Ornge.

Mr. Paul Cox: Actually, I think I see where you're going with it.

Mr. Bill Mauro: Yes.

Mr. Paul Cox: The rules and regulations are the rules and regulations, whether you've got a cow in the back or whether you've got a patient in the back or whether you've got pop and chips or whatever. Our rules are our rules. It doesn't matter. They're auditing us to Canadian aviation regulations standards.

Mr. Bill Mauro: No, I understand that. I am going slightly differently. You're kind of on to it. Your aircraft aren't all the same.

Mr. Paul Cox: No. That's correct.

Mr. Bill Mauro: The aircraft that is dedicated to the Ornge work is obviously configured differently than the non-Ornge aircraft. So, when Argus shows up on behalf of Ornge to see that you're compliant, they're focusing on the aircraft that are dedicated only to Ornge—

Mr. Paul Cox: Not so much even the aircraft; the rules and regulations and the standards.

Mr. Bill Mauro: Okay, so your entire—

Mr. Paul Cox: They'll look at the airplane; they'll have a general look. They will check our maintenance schedules on the equipment that's dedicated for the contract. Like, for the LifePort, there's a maintenance schedule to it.

Mr. Bill Mauro: So it's less about the aircraft, but it is about the aircraft.

Mr. Paul Cox: It's a little bit about the aircraft. It's mostly about compliance with the rules and regulations.

Mr. Bill Mauro: Of Ornge.

Mr. Paul Cox: Of Transport Canada. Ornge doesn't give us a set of—

Mr. Bill Mauro: Okay, well, that makes my point. That's kind of where I'm trying to get, I guess, is that because you're—and then Transport Canada still comes in.

Mr. Paul Cox: That's correct.

Mr. Bill Mauro: And so—

Mr. Paul Cox: If you're asking if Argus is a redundant and unneeded—

Mr. Bill Mauro: He's like an Italian; he's never going to let me finish. But I love it. I love it.

Mr. Paul Cox: Okay, I see where you're going. I'll—

Mr. Bill Mauro: No, you got it perfectly. That's exactly what I'm doing.

Mr. Paul Cox: Okay, so it's a nice tool for us. Is it really needed? No.

Mr. Bill Mauro: But I wasn't going to suggest that, though. We're on the same page, but just slightly different again. I wasn't going to suggest that the work of Argus is redundant. But what I was going to conclude is that, with what's being done from an oversight perspective now, as an Ornge contractor and as a regular carrier subjected to Transport Canada regulations, you in fact have more oversight than somebody who's not doing Ornge work.

Mr. Paul Cox: Absolutely.

Mr. Bill Mauro: Thank you.

Ms. Helena Jaczek: We'll save our 10.

The Chair (Mr. Norm Miller): Okay, very well. We'll move to the opposition. Mr. Klees?

Mr. Frank Klees: Thank you.

Mr. Paul Cox: I've been warned.

Mr. Frank Klees: I beg your pardon?

Mr. Paul Cox: I've been warned.

Mr. Frank Klees: You've been warned? Oh, have you? By Mr. Derek Wharrie, by any chance?

Mr. Paul Cox: By who, sorry?

Mr. Frank Klees: Mr. Wharrie.

Mr. Paul Cox: No, Derek's good. He's all right.

Ms. Helena Jaczek: It's widespread, Frank.

Mr. Bill Mauro: I think Mike and I are going to take you for a beer after. He's a real northerner, Mike. I think we're going to take him out for a beer.

Mr. Frank Klees: I'll give you five minutes to tell me what you've been warned about.

Mr. Paul Cox: I'm just joking.

Mr. Frank Klees: All right. Well, let's get to work. You indicated that the audits by Argus aren't paid for.

Mr. Paul Cox: By me, no.

Mr. Frank Klees: You don't have to pay for them.

Mr. Paul Cox: That's correct.

Mr. Frank Klees: I have an email here that was sent by Mr. Ryan Kahl. Do you know him?

Mr. Paul Cox: No.

Mr. Frank Klees: He is the northeast-US/Ontario/Quebec/Newfoundland/Europe/Asia/South America sales manager for Argus. Here's an email that was sent to one of the other SA providers. It's dated July 13, 2012. It says, "I'd like to touch base with you regarding an opportunity to add Argus platinum rating audit to the Ornge audit we will be conducting at your operation. Argus rating brochure is attached"—I have a copy of it here. I'm sure you have one, too.

Mr. Paul Cox: No, I don't, actually. I've been verbally told by when to do it, that we have the platinum status. I have not got the certificate.

Mr. Frank Klees: Interesting. Here's what it says. Maybe you're getting a special deal. I don't know.

Mr. Paul Cox: I'm not paying anything. You can go where you have with it. I'm not paying; I wouldn't pay for it. What that whole platinum thing is, when you bid on work in the US, if you don't have a rating from Argus, basically, especially if you work for the government, you will not work for them. In Canada, it really doesn't mean anything because they're not even really a Canadian company.

Mr. Frank Klees: So here's what the email says about this platinum rating: "Argus auditors would be on-site performing the Ornge audit. I can offer"—and I won't mention the name of the airline; actually, I will table this with the committee so you'll know. This happens to be Thunder Airlines—"the opportunity to add on Argus platinum rating at a significantly reduced price." Here comes the deal—

Mr. Paul Cox: I haven't seen it. They haven't offered it to me. They haven't made it to me yet. It might come.

Mr. Frank Klees: Here comes the deal to Thunder Airlines, to the point that was made earlier, because I think it's important that this committee understands the integrity of this platinum rating: "The prestigious Argus platinum rating is an independent third-party quality and safety review of your operation for global buyers of air charter. To complete the Argus platinum rating, we will need to add on one additional audit day on to the Ornge audit. There are some costs to Thunder Airlines for the

additional time on-site. The audit cost is \$3,250 US, with zero additional auditor travel expenses (typically, the two-day Argus platinum rating audit is \$8,950 plus audit-travel expenses)"—so you're getting a real deal here.

Mr. Paul Cox: Absolutely. I'm not paying it, but sure.

Mr. Frank Klees: "In addition to the \$3,250 audit fee, there would be a \$150-per-month check data fee for maintaining and distributing your data associated with the Argus rating.

"I'm sure you probably have some questions regarding the Argus audit standard and the platinum rating requirements. I'm available for your return.

"Regards,

"Ryan"

The reason I wanted to just put this on the record is because it seems to me that we have here a rating agency, a for-profit company, that makes its business auditing operations such as yours. The fact that I, as an operator, can actually buy the prestigious platinum rating—

Mr. Paul Cox: I wasn't aware of that until you just said that.

Mr. Frank Klees: What does that tell you? Would you buy it?

Mr. Paul Cox: No, because for me—look at where I operate out of, for starters, which is Moosonee. My clientele there is my clientele. My clientele has been using me for 15 to 20 years. I didn't ever have that plaque hanging when I started with one airplane. I own eight or nine airplanes now. I didn't have that plaque hanging on the wall then, and I am where I am. I'm not spending three grand or five grand. I'm not spending 10 bucks on it.

Mr. Frank Klees: Sure. But in your opening statement, you made reference to the fact that you're going to be getting—

Mr. Paul Cox: It's funny you say that. My chief pilot called because he was not going to be able to make the Argus audit, and he was able to shuffle his schedule so he could get out there. He actually flies part-time for the OPP as well. They told him that from our last audit last year—all he mentioned is we had the platinum status. That's what I'm going on. That's why I said I only have it verbally. I do not have it on paper. Maybe that's the lead-in to their sales pitch when they show up here this time. As of now, I can 100% say to you I do not have or have not been offered to buy platinum status.

Mr. Frank Klees: All right. And you've told us that you're not going to buy it.

Mr. Paul Cox: I'm not going to buy it anyway, no.

Mr. Frank Klees: All right. Reference was made by Mr. Mauro to the Transport Canada inspections and audits that they do. MNR does audits as well, correct?

Mr. Paul Cox: Absolutely. They usually inspect a new aircraft when it comes online if you want to do government work.

Mr. Frank Klees: So, typically, Transport Canada and MNR do what would be referred to as operations audits.

Mr. Paul Cox: Yes. They can. I've never personally had MNR—they've inspected our aircraft. We've never had MNR actually do an audit on us, but they have inspected aircraft to go to work, say, for fires in the summertime. They've inspected aircraft, and they usually don't get an audit. They don't do an audit on your books. They do have the authority to if they'd like.

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Mr. Frank Klees: When was the last time that you had a Transport Canada audit?

Mr. Paul Cox: Two years ago.

Mr. Frank Klees: What were the findings of that audit?

Mr. Paul Cox: I know we had quite a few findings.

Mr. Frank Klees: Can you give me an example of some of those findings?

Mr. Paul Cox: A lot of it was quality assurance, new stuff that was coming out, the quality assurance SMS. Transport Canada was very vague on whether they were actually ever going to implement SMS and stuff like that, so it was hard to get to know whether you were going to need to do it or not. It's still kind of up in the air. We have SMS, but we don't have SMS as per the other air operators like Air Canada and big companies. We do it in the same style, but it's not the same.

Mr. Frank Klees: For the benefit of those who may not be familiar with SMS, that essentially is—

Mr. Paul Cox: Safety management system.

Mr. Frank Klees: Right. That actually is delegated to you as a carrier, to conduct your own audit. You fill out a checklist. You send it to Transport Canada.

Mr. Paul Cox: No, you keep it on file. They come and they review it when they do their audit.

Mr. Frank Klees: So you don't even have to send it up?

Mr. Paul Cox: No.

Mr. Frank Klees: Are you required or is there a requirement that you send that to Ornge?

Mr. Paul Cox: No.

Mr. Frank Klees: So Ornge doesn't even ask you for a copy of your SMS audit?

Mr. Paul Cox: No.

Mr. Frank Klees: Do you think it would be wise if they did that?

Mr. Paul Cox: They should, yes.

Mr. Frank Klees: Okay. Does Ornge audit you for compliance to the contractual obligations in your agreement with them?

Mr. Paul Cox: I don't know. Not 100%—no, I don't know.

Mr. Frank Klees: Have they ever?

Mr. Paul Cox: No.

Mr. Frank Klees: That's the testimony of other SA carriers as well, which, quite frankly, is disturbing to me, because you have extensive contractual obligations under your contract, and one would think that Ornge would be interested in ensuring that you're actually in compliance with those standards. Wouldn't you think so? Would you agree?

Mr. Paul Cox: Sure.

Mr. Frank Klees: But they don't. Can I ask, how close are you located to an Ornge base office?

Mr. Paul Cox: Base office?

Mr. Frank Klees: Yes.

Mr. Paul Cox: Five hundred feet.

Mr. Frank Klees: One would think that it might be convenient to walk the 500 feet over to your operation and—

Mr. Paul Cox: I don't know if the guy there is qualified to do it. He's running his own show. Listen, I don't know. You can speculate all you want on Ornge with me. I don't run Ornge.

Mr. Frank Klees: No, but you do work with them and for them under contract.

Mr. Paul Cox: I work for a lot of people.

Mr. Frank Klees: Pardon?

Mr. Paul Cox: I work for a lot of people. I'll work for anybody who will hire me and pay me.

Mr. Frank Klees: Let's talk about that. We understand that you respond to an RFP. Under the terms of that RFP, it's my understanding that your aircraft is required to have TCAS—

Mr. Paul Cox: TCAS and TAWS, yes. We turn into a pumpkin either at midnight tonight or midnight tomorrow or whatever the date may be, because our 180-day grace period is up. We're scheduled to go in to get an avionics upgrade, but it's hard to get into an avionics shop.

Mr. Frank Klees: Sorry. You know what? I missed all of that. Can you help me to understand what you just said?

Mr. Paul Cox: As of tonight at midnight, it has been 180 days from when we signed the last contract with Ornge, and it's actually the first new one where there hasn't been an extension. I believe it's either tonight at midnight or tomorrow at midnight that our 180 days is up on the extension to have this equipment installed on our airplane.

Mr. Frank Klees: Did you get it installed?

Mr. Paul Cox: I just told you. The 180 days is up. I'm scheduled to go in, but I haven't been in yet. So no; they're going to park us in a day or so.

Mr. Frank Klees: They're going to fire you in a day or so?

Mr. Paul Cox: They're going to park us. We'll go back online when we get the equipment put in the airplane, I'm sure.

Mr. Frank Klees: So it has been 180 days.

Mr. Paul Cox: Yes.

Mr. Frank Klees: They awarded you a contract. You've been flying without this equipment.

Mr. Paul Cox: It was in the contract that we had 180 days to do it.

Mr. Frank Klees: Okay.

Mr. Paul Cox: Why haven't I done it?

Mr. Frank Klees: Yes.

Mr. Paul Cox: Because I've had a guy in one of my airplanes gear up, a 12,000-hour pilot, two crew—for some reason he decided that he wasn't going to put the

gear down that day, so we've been short an airplane. We've bought some airplanes. In the whole turnover to replace an airplane, we have not had time to pull one off-line to send to the avionics shop. That's the dollars and cents of it.

Mr. Frank Klees: Why do you think Ornge is requiring this equipment?

Mr. Paul Cox: When they bought their Pilatuses it was standard equipment, so the equipment list came out of the Pilatus. It's not mandatory by law for a 703 operator to have this equipment. It's suggested that terrain awareness is most effective in mountainous terrain. Ontario is not mountainous terrain. Therefore, that's why it's not the law through Transport Canada yet.

Mr. Frank Klees: But obviously Ornge considers that it is important. After all—

Mr. Paul Cox: Well, I think what they—

Mr. Frank Klees: —you're in the air ambulance business.

Mr. Paul Cox: Sure.

Mr. Frank Klees: It's not just your life. It's not just a—

Mr. Paul Cox: We have redundant systems. We have a radar altimeter; we have altitude alerters. It's not like we're just flying around—we fly air routes with minimum altitudes. Everything is done to rule. Everybody else in the country gets the job done safely every day, the way they've done for 30 years. This stuff here is nice, and we're going to put it in because the contract says we have to. But let's be realistic: 90% of the country is flying around without it.

Mr. Frank Klees: The reason that Ornge requires this is that TCAS actively interrogates other transponders to look for a possible traffic conflict—

Mr. Paul Cox: That's correct.

Mr. Frank Klees: —and recommends evasive action, right?

Mr. Paul Cox: Sure.

Mr. Frank Klees: One would think that in an air ambulance operation, that would be very important.

Mr. Paul Cox: You would think it. But do you know what? When you're flying IFR, you're in controlled airspace. You've got airspace 500 feet below you blocked and 500 feet above you. You are always protected; you're in a radar environment. The controllers know where you are all the time, under IFR, and you are controlled. It's a backup to a backup.

Mr. Frank Klees: I tell you, I'd want the backup to the backup—

Mr. Paul Cox: Sure, whatever.

Mr. Frank Klees: —if I was a passenger, especially in an air ambulance.

Mr. Paul Cox: If it was that important, then Transport Canada would have it—it would be the law.

Mr. Frank Klees: Well, it's the law with Ornge, because they've put it in there as a requirement.

Mr. Paul Cox: There you go. I said we're going to do it; I'm not denying the fact. I don't know what you want out of me. Don't beat a dead horse. I'm telling you—

Mr. Frank Klees: Please. I'm not trying to be difficult—

Mr. Paul Cox: Well.

Mr. Frank Klees: Here's my point. My issue is not with you. My issue, quite frankly, is with Ornge and Ornge management. Because if, in fact, they are saying this equipment is critical and they make it a condition of the contract, then, quite frankly, I wouldn't be giving you 180 days to install the equipment while you're flying my patients around. I'd be saying, "Get the equipment installed. We're going to inspect it, we'll make sure it's there and that you're complying, and then I'll give you a contract."

Mr. Paul Cox: I can appreciate that, but I think that somewhere along the line, somebody realized that the list of necessary equipment that they said you had to have in an airplane changed, and it all came on the day they ordered their Pilatuses. And then, "Okay, what standard are we going to set for everybody?" So they bought these airplanes. Here's what they had; here's what everybody has to have.

So somebody else did the work for them. Yes, maybe it was poor management or whatever. Maybe that's why they've deemed it's not so important. Maybe somebody realized somewhere along the way, "We can give 180 days to get this done because we arbitrarily said this equipment had to be in there." For us, it's \$200,000 a copy per airplane to upgrade.

Mr. Frank Klees: And, of course—

The Chair (Mr. Norm Miller): You have two minutes left.

Mr. Frank Klees: Okay.

A number of the other SA carriers have it installed, and the concern is that there's not a level playing field. What other SA carriers are saying is, "If I had to go out and spend this money in order to get this contract, why should I be disadvantaged against another carrier who is able to carry on without it?" That's the issue.

Mr. Paul Cox: I agree. And hence the 180 days—I didn't put that in there. That's there; I can't do anything about it.

Mr. Frank Klees: I understand.

Mr. Paul Cox: And when, at midnight tonight or midnight tomorrow or whenever, our 180 days are up and they tell us we can't play again until we're good to go, I honestly respect that. That's the contract.

Mr. Frank Klees: I hear you. Here's my question: You get grounded at midnight tonight and, all of a sudden, you're not available for an emergency call. What happens? And how responsible is it of Ornge that they haven't inspected you prior to the deadline at midnight tonight, to know that there's someone who is going to be able to fill in for the carrier who is now all of a sudden grounded?

Mr. Paul Cox: Actually, we have been in correspondence with them since we've seen the difficulties when we bought our replacement airplanes at the end of August. We have been in correspondence, saying that we're

getting close and we're probably going to run through the deadline.

So they know, and I'm hoping they have a contingency. There's always another carrier sitting, just waiting to have some gravy. That's what it's going to be for somebody else. They're going to come in and take our work for a while—

Mr. Frank Klees: Well, we hope so, sir.

Mr. Paul Cox: I'm sure they will.

Mr. Frank Klees: Thank you.

The Chair (Mr. Norm Miller): We'll move on to the NDP. Ms. Gélinas.

M^{me} France Gélinas: All right. I just want to—did you want to ask a question?

Mr. Michael Mantha: First, I just wanted to let you know that my son is in the AMT course up at Canadore, so if you're looking for some help in a couple of years—

Mr. Paul Cox: There you go.

Mr. Michael Mantha:—I just thought I'd put that in for my son.

Mr. Paul Cox: Good stuff.

Mr. Michael Mantha: Mind you, my wife refers to the AMT course as the ATM course, because every time she goes up there, it costs us some money.

Mr. Paul Cox: For sure.

Mr. Michael Mantha: The average audit, whether it's done through Argus or Transport Canada—are they comparable, or are they just totally different?

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Mr. Paul Cox: Transport is a little more hound-dog-ish. It depends whether you've got a maintenance audit or a commercial and business audit, whether one's on the side of maintenance or the side of pilot regulations. They're broken into two separate sections. The maintenance stuff is more getting focused towards the quality assurance and SMS, basically the policing of yourself. What they do is they come in and audit our audits. Whereas the commercial and business side, that side of Argus is pretty much the same. Argus is probably a little more thorough on the maintenance side for the whole system. Like I said, Transport Canada is a little more based on the quality assurance, and then there's the safety management system. They're close.

Mr. Michael Mantha: So if you had to differentiate between Argus and Transport Canada, how much under Argus is specifically Ornge concentrated? How much of it is specifically geared to Ornge which is not—

Mr. Paul Cox: Really, nothing specific, because even Transport, when they come in, they'll look at anything. Equipment in the airplane has to be in there under an STC, a supplemental type certificate. Transport Canada will look at the same records. Basically, that is the same. There is no deviation between Transport Canada and Argus in regard to Ornge.

Mr. Michael Mantha: All right.

M^{me} France Gélinas: Could you repeat the price of a TAWS? How much did you say it's going to cost you?

Mr. Paul Cox: It will be \$200,000 an airplane. We're putting TAWS and TCAS, but we're putting a whole

bunch of other stuff in. The problem is, if we put those systems in, they need systems to run them. You can either have one that's going to last 10 years or 20 years, so we're putting stuff in that's hopefully going to stay compliant for 20 years. You could probably do it bare bones for \$80,000 to \$100,000, but it's going to cost us \$200,000.

M^{me} France Gélinas: Wow, okay. I want to take you back in time to when Dr. Mazza was running Ornge. Did you know the man?

Mr. Paul Cox: I knew him. I've got friends who know him, have maybe sold him a boat or two and knew who he was and what his lifestyle was.

M^{me} France Gélinas: In the field, what is their impression of him?

Mr. Paul Cox: Visions of grandeur. I don't know how else to say it. He had a plan to take over the world, and if he had kept it running, he probably would have done it.

M^{me} France Gélinas: How would you describe the new CEO of Ornge?

Mr. Paul Cox: I've talked to him a couple of times. He seems like a down-to-earth guy. I haven't met him yet. I really don't know. He seems decent; that's all. You can talk to him.

M^{me} France Gélinas: Who is your primary contact at Ornge?

Mr. Paul Cox: Right now it would be Ainsley Boodoosingh, I think is his last name. We have a few. It depends on what area you're going to. There's safety, which is another guy, but if I have a question about the contract or a question about something, I would go—I used to go to Ted Rabicki. I believe it's Ainsley now.

M^{me} France Gélinas: Okay, the person who replaced Ted?

Mr. Paul Cox: Replaced Ted, yes.

M^{me} France Gélinas: Okay. Are you able to compare your relationship with Ornge before and after?

Mr. Paul Cox: No. Ainsley has just got in there. Ted has only been gone two or three weeks. I haven't accomplished anything with Ainsley yet, so I won't be able to tell you until I do.

M^{me} France Gélinas: Okay. You live and work in northern Ontario. You service a number of fly-in-only communities.

Mr. Paul Cox: That's correct.

M^{me} France Gélinas: Do you figure that the government of Ontario does a good job of providing equitable access to the residents of Ontario that you also serve? Could we do better? Are we doing a good job? This is what I'm after.

Mr. Paul Cox: Everything could be better.

M^{me} France Gélinas: Okay.

Mr. Paul Cox: Where I sit, let's put it that way, it's rail against air, I guess. The big question is whether Ontario Northland is going to be sold. We're off the topic of airplanes, but it's an essential service. I think, honestly, if the government steps away from that, they should be accountable and have to run it like a business. They're

working at it a little bit now because they don't want it to be sold, I think, from what I see.

We need essential services like that because if somebody gets in there privately, basically you've got a monopoly. With the airlines, there's three or four airlines. With rail, you've got one rail, and if you get the wrong guy, it could be devastating to the small communities.

M^{me} France Gélinas: Basically, if the train wasn't there, you wouldn't be there either because—

Mr. Paul Cox: I wouldn't be here either, no. I had to spend my \$50 or \$75 or whatever it was to come down on the train, just like everybody else, and I own a bunch of airplanes. So what does that tell you?

M^{me} France Gélinas: So if I flip it around the other way: I asked you, could we do better? We could always do better. Do you see abuse, or do we do too much? The people who you fly as primary care, did they need to fly? Could they have been handled a different way?

Mr. Paul Cox: Well, I don't really know. We've got the whole issue of the patient transfer, so that definitely could be better right now because at Moosonee, we have our own special issues. Or town board right now, I don't know where their heads are at. They pulled out our public docs. I don't know if you guys have got any of that, but Gilles is down here, so you might have talked to him. He had to go up and get up some docs. But we've got 60- and 70-year-old people who have to go every day to an appointment or whatever to Moose Factory. There are no docs to go down.

We do need a little bit of intervention there to provide service to Moose Factory and to Moosonee people, because they've got to go over as well. Just for somebody to leave Moose Factory to come and catch a train, they've got to take a boat taxi and then get off on the rocks in the mud and carry suitcases and carry stuff. I don't know what can be done, to be honest, about that, but that stuff could use a little bit of attention.

The Chair (Mr. Norm Miller): We're out of time, so we'll move to the government.

Mr. Paul Cox: I might have got off topic on you. You wanted to talk about airplanes, but—

M^{me} France Gélinas: It's okay.

The Chair (Mr. Norm Miller): Mr. Mauro.

Mr. Bill Mauro: Mr. Cox, you've been in the business for a while. When did you say you started?

Mr. Paul Cox: I started my own business in 1996.

Mr. Bill Mauro: And you always had some air ambulance work?

Mr. Paul Cox: No.

Mr. Bill Mauro: When did you start—

Mr. Paul Cox: Our first contract was probably six years ago. Don't hold me right to that.

Mr. Bill Mauro: So right around Ornge? Before Ornge? Just after Ornge?

Mr. Paul Cox: Actually, our first contract would have been at the inception of Ornge, I think.

Mr. Phil McNeely: In 2007.

Mr. Paul Cox: Pardon me?

Mr. Phil McNeely: In 2007, from Mr. Wharrie.

Mr. Bill Mauro: Okay.

Mr. Paul Cox: Yes, okay.

Mr. Bill Mauro: But you started in 1996, and up until that point, the only audits you had were from Transport Canada?

Mr. Paul Cox: That's correct.

Mr. Bill Mauro: Okay. I want to talk a little bit about this platinum audit piece and the email that was referenced by Mr. Klees. From that particular carrier, one could be left with the impression that they didn't have a lot of choice in terms of whether or not they wanted to spend the money to get this designation.

My question to you on the audit piece through Argus and this platinum designation is—you don't need it. You don't have to pay for it if you don't want it. Not having it doesn't prevent you from bidding on work for Ornge or for anybody else, from making you eligible for any contract. You simply can tell Argus, "I'm not interested in a third day and your \$3,000. Thanks for coming out. Next plane out."

Mr. Paul Cox: Yes, to be honest, I was surprised when she said it to Ryan, my chief pilot. Like I said, when Wendy had mentioned to him, we were not even entitled—we knew how we did on the audit last year when they went through SA and we did meet or exceed. They go through the exit briefing, and they tell you where you stood, but they don't tell you anything over all that. We don't see the final report because it's proprietary to Ornge, because Ornge has paid them. So we've never seen our final score from them or whatever. It went to Ornge, and we've never seen it. We didn't have access to it.

Mr. Bill Mauro: Yes, of course. Argus does the audit; they give the information to Ornge.

Mr. Paul Cox: Absolutely.

Mr. Bill Mauro: Transport Canada does the audit; they give the information to Ornge.

Mr. Paul Cox: Transport doesn't offer it to Ornge. Transport gives it to us, or they do whatever with it.

Mr. Bill Mauro: Gives it to you.

Mr. Paul Cox: Yes.

Mr. Bill Mauro: Okay. My point, though, to underscore this, is that as a carrier under the SA agreements, to bid and be able to provide work for Ornge, you don't need this designation.

Mr. Paul Cox: No, because I believe we actually worked the first two or three years before we ever had an Argus audit.

Mr. Bill Mauro: Well, that was the point of my first question, but you seemed to imply that you only started around Ornge, so there wasn't really a pre-Ornge experience for you when it came to this sort of—

Mr. Paul Cox: That's true, but our very first contract, like I said—

Mr. Bill Mauro: Oh, it has happened under the new administration.

Mr. Paul Cox: It happened through the extension of the second or—

Mr. Bill Mauro: Gotcha. I got it. Okay. Well, that's good to know.

Regarding the avoidance system, if I understood this TAWS—

Mr. Paul Cox: TAWS is terrain awareness.

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Mr. Bill Mauro: Training awareness?

Mr. Paul Cox: Terrain.

Mr. Bill Mauro: Terrain awareness. That's what I thought.

Mr. Paul Cox: For example, when you hear, "Pull up! Pull up!"

Mr. Bill Mauro: Right. So it's about mid-air—

Mr. Paul Cox: No, that's TCAS. That's collision avoidance.

Mr. Bill Mauro: Okay. It's terrain only.

Mr. Paul Cox: One is terrain; one is collision. There are two separate systems.

Mr. Bill Mauro: Okay. The system is expensive and, as you've mentioned, it's being done because, in fact, Ornge has raised the standard of care, I guess we could say, on the aircraft significantly, because the Pilatus planes have this as a standard part of their equipment, and now they're bringing all the other carriers up to their level.

Mr. Paul Cox: Except they forgot the second engine, but yes.

Mr. Bill Mauro: Okay, fair point. But nevertheless, they're raising the bar, it's fair to say.

There was an implication that there's a bit of an uneven playing field for those who have the equipment and you who do not, and that you have somehow gained an advantage. I guess I could understand—

Mr. Paul Cox: Everybody had until today to get it done.

Mr. Bill Mauro: Exactly; that's exactly where I'm going with this.

The other SA carriers—five total, four besides you: Can you give me a sense, if you know, and it's possible you won't, of their opinion or appreciation of whether they feel that the TAWS is necessary? Is there any industry—you've clearly articulated that you think it's overkill, I think it's fair to say, but I understand that from Ornge's perspective, it's a backup to a backup, as you've said. Do the other SA carriers have an opinion on it?

Mr. Paul Cox: I don't know.

Mr. Bill Mauro: You wouldn't know. Fair enough. But in terms of a level playing field, that was left hanging as a comment. I want to be clear that everybody had the same six months, once it was decided.

Mr. Paul Cox: The contracts all read the same, as far as I know. I only had mine, but—

Mr. Bill Mauro: So here's the last one—and Mr. Klees made a point that I thought was absolutely fair right at the end. It was a point that I was going to ask if it hadn't been raised by him. When you stand down tonight, whether that's going to take two days or eight days for you to get that equipment installed, what's going

to happen to fill the gap when it comes to the provision of air ambulance out of your base?

Mr. Paul Cox: They'll bring somebody from Timmins, or they'll do whatever.

Mr. Bill Mauro: Thank you. So there will be other aircraft, whether it's Ornge aircraft, a Pilatus or somebody.

Mr. Paul Cox: See, we're not dedicated. Don't confuse standing-offer with dedicated. We have an obligation to Ornge that promises us 600 hours a year. We fulfill that 600 hours a year; anything over that is fantastic. We're not dedicated. Do you know what I mean? We're not—

Mr. Bill Mauro: Yes, I do.

Mr. Paul Cox: We're standing-offer. We're standing-call, so—

Mr. Bill Mauro: You're on standby.

Mr. Paul Cox: We're not getting paid when we're not flying, so it may be inconvenient for somebody coming from somewhere else.

Mr. Bill Mauro: So the point I want to be clear on here is that, because you're standing down to have this aircraft upgraded, there is not going to be a gap in the provision of air ambulance service.

Mr. Paul Cox: In service? No.

Mr. Bill Mauro: Okay. We'll save some time, Mr. Chair.

The Chair (Mr. Norm Miller): Okay, very well. Mr. Klees, you have a couple of minutes if you want to ask some questions.

Mr. Frank Klees: With all due respect, I don't think you're in any position to say whether there's going to be a gap or not. Isn't that true?

Mr. Paul Cox: Sure. That's fine, yes.

Mr. Frank Klees: You had the Argus inspection. As you say, that report goes directly to Ornge. Have you had any feedback from Ornge on that inspection?

Mr. Paul Cox: No.

Mr. Frank Klees: Never?

Mr. Paul Cox: No. I just assumed that, if it was bad, they would have told us.

Mr. Frank Klees: Either that, or nobody's looking at it and it gets filed.

Mr. Paul Cox: Yes.

Mr. Frank Klees: Would you not think that it would make sense—I mean, if I was in your position, I would at least appreciate getting some feedback from Ornge on this audit.

Mr. Paul Cox: Absolutely, but—

Mr. Frank Klees: Good or bad, right?

Mr. Paul Cox: Yes. We—

Mr. Frank Klees: But—

Mr. Paul Cox: Yes, sir? Go ahead. I didn't mean to cut you off.

Mr. Frank Klees: And again, I want to make it very clear that the target here is not the front-line people who are delivering services, whether that's pilots or carriers, or whether that's paramedics. My concern is that the problem that arose with Ornge arose because of a lack of oversight and a lack of accountability at a number of levels, starting with Ornge itself—their management—going to the Ministry of Health. What I'm seeing, unfortunately, is that there continues to be this laissez-faire culture. It seems that we have not learned many lessons.

Mr. Paul Cox: I can honestly say that—look how long it took us to be here.

Mr. Frank Klees: Right. Thank you. I appreciate you coming forward. I appreciate your honesty. Hurry up and get that equipment installed.

Mr. Paul Cox: Thank you, sir.

The Chair (Mr. Norm Miller): Thank you very much. NDP, you've used all your time, so you have a few minutes left—

Interjection.

The Chair (Mr. Norm Miller): We're good? Okay. Thank you very much for making the long trip down from Moosonee to be here.

Mr. Paul Cox: Thank you.

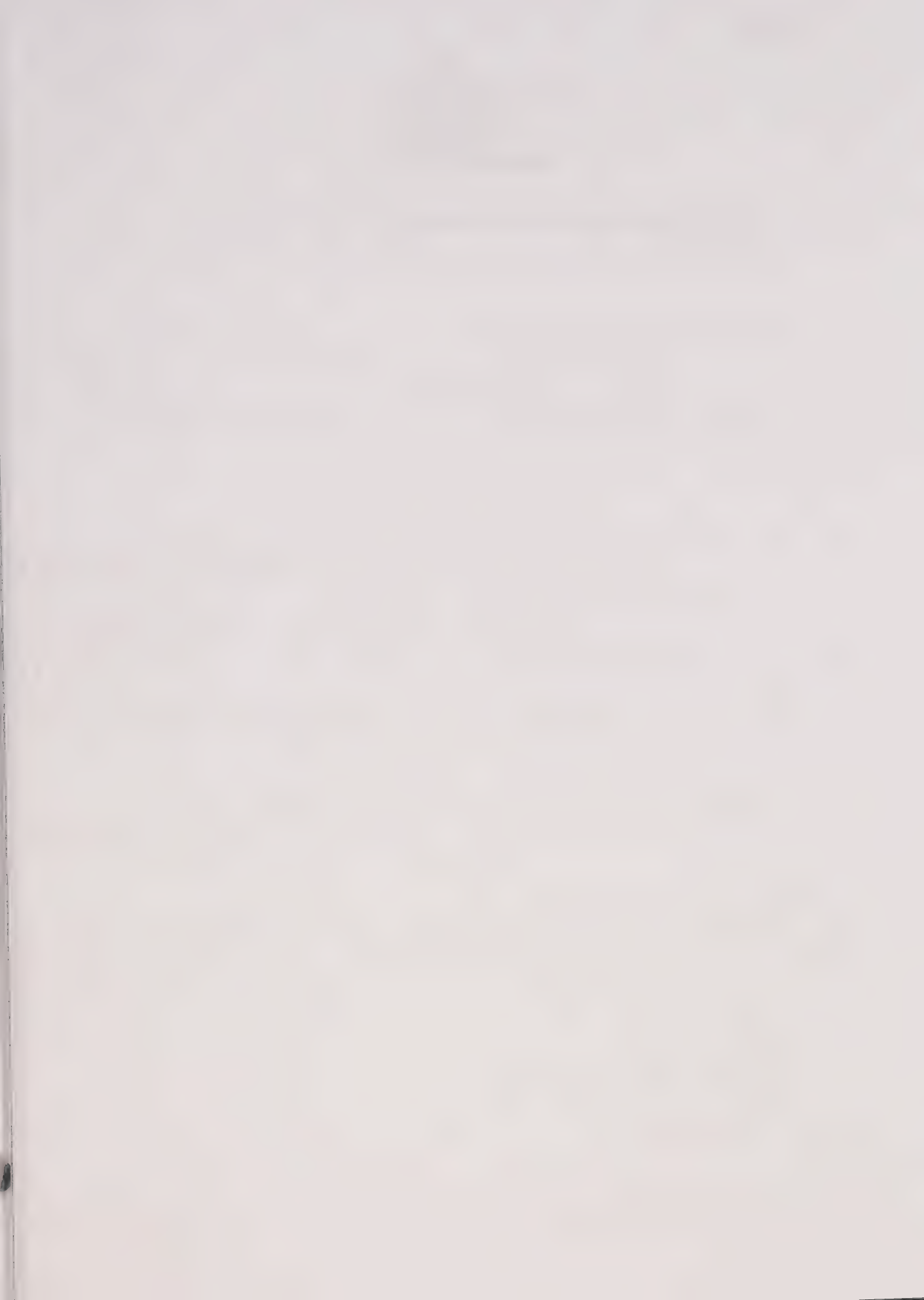
The Chair (Mr. Norm Miller): I hope you get some sleep tonight.

Interruption.

M^{me} France Gélinas: Those bells call us back to school.

The Chair (Mr. Norm Miller): We are adjourned.

The committee adjourned at 1455.



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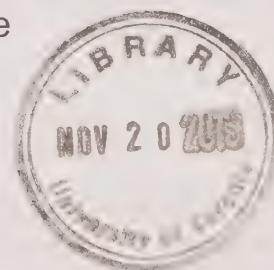
Mercredi 30 octobre 2013

Standing Committee on Public Accounts

Special report, Auditor General:
Ornge Air Ambulance and
Related Services

Comité permanent des comptes publics

Rapport spécial, vérificateur
général : Services d'ambulance
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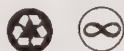
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 30 October 2013

Mercredi 30 octobre 2013

The committee met at 0804 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Norm Miller): I'd like to call the meeting to order. The first thing we have to deal with is a motion filed by France Gélinas requesting the Auditor General to examine the estimated cost of the cancelled nuclear reactors at Darlington nuclear generating station. Ms. Forster, go ahead.

Ms. Cindy Forster: Thank you. We don't intend to proceed with the motion that Ms. Gélinas tabled on October 23, but we do have another motion that we'd like to table today and deal with next week.

The Chair (Mr. Norm Miller): Okay, very well. Will is going to get it from you.

Seeing as we're not going to be talking about that motion this morning, then there are a few items of correspondence that should remain confidential. So we shall go into closed session to discuss those prior to having our witness this morning.

We will go into closed session now.

The committee continued in closed session from 0805 to 0822.

SPECIAL REPORT, AUDITOR GENERAL:

ORNGE AIR AMBULANCE

AND RELATED SERVICES

TRANSPORT CANADA

The Chair (Mr. Norm Miller): I'd like to call the committee to order. Welcome, from Transport Canada, Mr. Imi Waljee, associate director, operations west, civil aviation; and Mr. Yves Lemieux, acting associate director, operations east, civil aviation. Welcome to the committee. Thank you for taking the time to come in this morning.

To confirm: You've received a letter with information for someone coming before the committee?

Mr. Imi Waljee: Yes.

The Chair (Mr. Norm Miller): Our Clerk will have you do either an affirmation or an oath.

The Clerk of the Committee (Mr. William Short): I'll just start with Mr. Waljee. If you could just raise your right hand. Mr. Waljee, do you solemnly affirm that the evidence you shall give to this committee touching the

subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

Mr. Imi Waljee: Yes, I do.

The Clerk of the Committee (Mr. William Short): Thank you.

Mr. Lemieux, same thing? Thank you. Mr. Lemieux, do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

Mr. Yves Lemieux: Yes, I do.

The Clerk of the Committee (Mr. William Short): Thank you.

The Chair (Mr. Norm Miller): You have up to 20 minutes for a statement. Use as much or as little time as you like of that, and then we'll go to questioning from the three parties.

Mr. Imi Waljee: Good morning, Mr. Chair, and members of the standing committee. I am Imi Waljee, associate director for operations west, and my colleague is Yves Lemieux, acting associate director, operations east. We both represent Transport Canada Civil Aviation, Ontario region.

As associate directors, we are accountable for the effective and efficient management of the civil aviation safety oversight program for the enterprises we are assigned within the industry in Ontario and to support the safety of civil aviation within Canada's borders. Some of our responsibilities include conducting audits and inspections, and managing and overseeing all service, validation and assessment activities associated with various enterprises. These enterprises are comprised of air carriers, airports, heliports, manufacturers, flight schools and maintenance organizations. All this work is done under the authority of the Canadian Aviation Regulations and the Aeronautics Act, while overseeing the integration of safety intelligence and application of risk management processes and procedures.

Civil Aviation's mission is to develop and administer policies and regulations for the safest civil aviation system for Canada, while using a systems-based approach to managing risks. This mission is based on the concept that intervention strategies, such as rule-making, oversight, and certification, are tools used to mitigate risk. While members of the aviation industry are our direct clients, the Canadian public is ultimately the beneficiary of our services.

Transport Canada defines safety as “the condition to which risks are managed to acceptable levels.” Through aviation safety oversight, Civil Aviation verifies the aviation industry’s compliance with the regulations through two sub-activities: service to the aviation industry and surveillance of aviation safety.

While the end product of service is the delivery of a certificate, a licence or other documents to an aviation stakeholder, the underlying purpose of these activities is for the department to reasonably assure itself that individuals, organizations and/or aeronautical products can operate safely and in compliance with applicable regulatory requirements.

Transport Canada conducts system-based surveillance of the aviation system to monitor the aviation industry for compliance with the regulatory framework. This is done through a risk-based approach, primarily through assessments and inspections.

Transport Canada is evolving the manner in which it approaches its surveillance responsibilities of all enterprises it regulates. This evolution in approach is consistent with the principles of safety management systems where the enterprise is expected to take an ownership role in proactively managing their safety risks on an ongoing basis.

Transport Canada’s role is to ensure that all enterprises have effective systems and processes in place for complying with regulatory requirements. The department’s surveillance activities confirm that these systems remain effective.

The ultimate aim of surveillance is to monitor compliance with regulatory requirements. To that end, all enterprises have an obligation to comply with their regulatory requirements at all times. Should a surveillance activity uncover any instances of non-compliance with the regulations, the department will take appropriate action.

Findings of non-compliance are meant to have enterprises correct their systems in such a way that they return to compliance and maintain that state. Regardless of the form of the action, the onus is on the enterprise to maintain compliance with regulatory requirements.

Transport Canada’s surveillance activities fall under two broad categories, planned and unplanned, where unplanned surveillance includes all those surveillance activities conducted in response to an unforeseen event or issue—for example, an accident, an incident, an increase in an enterprise risk indicator level etc.—and planned surveillance includes all those surveillance activities conducted at a predetermined interval in accordance with Transport Canada’s approved surveillance plan.

Transport Canada is taking a standardized, risk-based approach to planning surveillance activities across all operational areas, taking into account all available safety information regarding approved enterprises. Surveillance policy details the process through which risk-based intervals are assigned for conducting planned surveillance activities. Planned surveillance intervals range from one year to five years, depending on the risk profile of an organization.

Both Yves and I are here to respond to your questions on Transport Canada’s regulatory oversight role. We thank you for giving us the opportunity to appear today, and we welcome your questions. Thank you, Mr. Chair.

The Chair (Mr. Norm Miller): Thank you very much for that opening statement. We’ll start with the opposition and Mr. Klees. We’ll go with 20-minute rotations to begin with, and then see how much time we have left.

Go ahead, Mr. Klees.

0830

Mr. Frank Klees: Thank you, Mr. Waljee and Mr. Lemieux, for joining us today.

Transport Canada conducted two program validation inspections at Ornge bases between January 9 and January 24 of this year. You described the safety management system under which you’re working. Can you explain to us, just very briefly, what the purpose is of these program validation inspections and how often they are conducted? You did say that they’re conducted anywhere from one to—five years, was it?—

Mr. Imi Waljee: Correct.

Mr. Frank Klees: —depending on the risk profile of an organization. With regard to Ornge, could you just give us a sense of where Ornge fits into that risk profile? And how often do you conduct these reports?

Mr. Imi Waljee: Okay. I’ll start with giving a very quick background on our policy and how we do our risk profiling.

To set it within context, Ornge has got two companies. One is a fixed-wing operation, which was approved back in 2009. They also have an approved maintenance organization under the fixed-wing operation, which was approved in 2011. The rotary wing is a company called 7506406 Canada Inc., which was approved in 2012. That’s just the context of the organization.

When we look at our planning and how we do our risk-based profile, we have our policy document, which says that we have our system called NASIMS, which is the national aviation safety information management system, which has about 60 to 70 questions where we populate based upon our knowledge of an organization. For example, it asks you questions on: Has the company had a turnover in staff? Has the company grown in size? Has the company got any labour difficulties? We start populating those answers, so that gives us a risk value.

Then the next step we look at is what is the risk profile of this company in the sense of its complexity? How many bases does it have? How many aircraft does it operate? Is it an international operation? Does it have a safety management system in place? Then we tabulate the results of that and we get a risk index.

Then we look at what the impact value of an organization is. The impact value is based upon whether the company has a high profile. Are they going to be in an area which is going to be a risky area? When we tabulate this thing, we use what is known as a surveillance indicator matrix. Once we plot that, it gives us a surveillance value which says that you will do a program validation inspection at a one-year period, a two-year period, a three-year period, a four-year period or a five-year period.

One thing to remember very clearly here is that a risk profile does not identify whether the company is in non-compliance of regulations or whether it is safe or unsafe. What it does is it shows a change in the state of the organization. When we populate it, we say the company is in a stable situation. Let's say now they have a few aircraft. We populate our system, and it shows a change; we get a change in the numbers.

This risk profile is simply a methodology for us to determine where does the company sit in terms of managing change?

Mr. Frank Klees: I thank you for that. That's very helpful. Could I ask you where Ornge fits into that risk profile?

Mr. Imi Waljee: Let's look at 7506406 Canada Inc., which is the rotary wing. Like I mentioned, it was approved in 2012.

Mr. Frank Klees: When in 2012?

Mr. Imi Waljee: The certificate was issued on January 16, 2012.

Mr. Frank Klees: Okay.

Mr. Imi Waljee: Because that is a new company—when I talked in my opening remarks, we talked about how we do our surveillance based on service and oversight. When we talked about service, we said service includes the issuing of a certificate, a document or a licence. When a company—well, I'm not sure it's Ornge, but it says 7506406 Canada Inc.—was approved, we ensured that the company met the minimum regulatory requirements at the time, which say they do have a qualified crew, they have maintenance requirements for their aircraft, they have infrastructure in place. That sets our baseline, based on a risk profile.

Then we say because this is a new operation, and it is in an area of a very risky operation because of the way they operate their helicopters, the way they're doing a service, we want to assure ourselves that they are maintaining regulatory compliance, so we give them one year.

The reason why we say one year is because if you look at the maintenance requirements of an air operator, it says when a new certificate is issued, the air operator has got 12 months in which to conduct their internal audit. When they conduct an internal audit, our expectation is that they are identifying all the shortcomings, and they are fixing them and rectifying them so that they don't go into non-compliance. We come in after a year, to ensure that the company is still maintaining the regulatory compliance.

Mr. Frank Klees: Okay. I'd like to then move on to—and again, we're now dealing with the rotary wing report that was dated March 1, 2013.

In a letter, Transport Canada advised Ornge that on-site interviews with key personnel had taken place. There was a sampling of records and observance of work at the base. Transport Canada inspectors, according to that letter, have found a number of non-conformances to the company operations manual, as well as Canadian Aviation Regulations.

For the record, Chair, this is PVI file 5015-17559-17.

I'm reading from the Transport Canada letter dated March 1, 2013. This was addressed to Mr. Robert Giguere, who is the accountable executive. I quote for the record: "There were strong indicators that areas of the operational control system were not effective ... On-site interviews revealed confusion both at the management level, and with the flight crews...."

The letter goes on to confirm that operations at some bases were suspended as a result of those findings. I quote again from the letter: "Flight crew members who had not completed the entire flight and ground training program were removed from flight operations until all training requirements were met. Additionally, flight operations at some bases were temporarily suspended until all program requirements were complete."

Is it a common occurrence, with the operations over which you have responsibility, that flight operations would be suspended by Transport Canada following one of these inspections? Is that something that you see happen commonly?

Mr. Imi Waljee: Mr. Chair, it would be speculation on my part to answer if I see that commonly. I'd like to speak to the policy on how we address these shortcomings when they're identified with a PVI, based on our policy and procedures which we adhere to.

In this particular instance, when the shortcomings were identified by the PVI team at Ornge, the company took their own actions of saying, "We will not dispatch any more crew unless we train them." The actions were taken by the company in this particular instance, so—

Mr. Frank Klees: I find it interesting that they have now been operating for an entire year, and these non-conformances had been in place for a year. There were nine of them. Four were classified as moderate, two were classified as major and three were classified as critical. Those three critical classifications were related to flight crew training, and particularly in light of concerns that this committee has heard from witnesses over the last number of months that the issue of training was of serious concern and had actually been reported, according to testimony that we've had here, by pilots to Transport Canada and the management at Ornge—yet here we are. We've had this operation operating for an entire year. Now management says, "Well, we'll take these people out of operation. We'll suspend them. We'll park them."

I have to tell you, I have serious concerns, and I think we all do, that we would have an organization that has the responsibility of 24/7 EMS air ambulance operations for our province, and here we find a Transport Canada audit that shows very gross non-conformance with either regulations or the operational manuals.

0840

I'd like to examine some of the specific findings of that Transport Canada report. I'd like to get your assessment of the severity of these findings. I'll read into the record the first one:

"7506406 Canada Inc. was conducting a 'Level D' training program utilizing a Sikorsky SK76B-type full flight simulator. The SK76B-type helicopter has differ-

ences in performance, systems, cockpit layout and configuration compared to the air operator's Sikorsky SK76A model helicopters. After completion of the full flight simulator SK76B training program, flight crews assigned to SK76A aircraft had received no additional training on the 'differences' between the SK76B (simulator) and the SK76A model."

The finding report goes on to say, "Interviews with flight crew, the 7506406 Canada management team and document reviews confirmed that none of the SK76A-type endorsed flight crews had received 'differences' training."

Mr. Waljee, I'm not a pilot and I don't profess to know a whole lot about aircraft or what it takes to fly an aircraft. Is this as obvious as it appears: that flight crew were given simulator training in one model of aircraft, but they were asked to fly in a different model of aircraft where the Transport Canada report actually states that the performance is different, the systems are different, the cockpit layout is different and the configurations are different compared between the two, and yet they were given simulator training in one aircraft and expected to fly in another? Is that as obvious as it appears to me?

Mr. Imi Waljee: I'd like to explain our process again, because when we do an inspection, whether it's a PVI or an assessment, Transport Canada's role is to identify non-conformances. Like we said, we do a systems-based approach into the organization, to see whether the system is functioning or not. The way we convey the results of our inspection to the enterprise is through a finding form to identify to the company where corrections need to be made.

Our role is not to speculate or look at the correct direction for an organization. When a finding has been generated and given to the company, the company takes two steps. Number one, they do a short-term corrective fix to bring them back into compliance, and then the second step they do is a long-term corrective action to ensure that the non-conformance identified does not recur again. The onus is on the enterprise to rectify the non-conformances that have been identified by Transport Canada.

Our desire, when we issue a PVI report, is to work with the enterprise in an escalation process. What that means is that our desire is that, where a company is willing and able to make corrections of its own, implement the correct new actions and ensure that those non-conformances don't recur, we work at the level of a corrective action plan. The company will submit to us a corrective action plan to say, "This is what we did in the short term. This is our analysis of the finding and of the root cause, and this is how we are going to be fixing it in the long term so that it does not recur."

We go back and do a follow-up on the enterprise to make sure that the long-term corrective action is effective in fixing those non-conformances. Then we close off the PVI report.

Mr. Frank Klees: So let me ask you this: Whose responsibility within the Ornge organization would it have been to ensure that the appropriate training programs

were in place? What is the position within the Ornge organization that had the responsibility to ensure that these programs were in place?

Mr. Yves Lemieux: The operations manager.

Mr. Frank Klees: And who at Ornge is that?

Mr. Yves Lemieux: At the time, I don't know. I don't have—

Mr. Frank Klees: You don't know?

Mr. Imi Waljee: I'm not 100% sure as to who—

Mr. Yves Lemieux: We can get back to you, if you wish.

Mr. Frank Klees: The fact is that someone wasn't doing their job at Ornge. What's concerning for us is that given the track record of this organization—quite frankly, I'm not surprised. The reason I'm not surprised is that I highly question how this organization was given its initial operating certificate when it went into business. To the point that you made in your opening statement, in explanation of the role that Transport Canada has and in terms of the measurement, the risk profile, here is an organization that has never been in the business of operating a helicopter or a 24/7 aviation business before. Overnight, they were in the business. Quite frankly, our initial question is, on what basis could these people be qualified?

I want to move on to another finding that is equally as disturbing as the one that we just dealt with. Again—

The Chair (Mr. Norm Miller): You have about three minutes, depending on how—

Mr. Frank Klees: Well, I'll quickly deal with this, and if you wouldn't mind, I'll take an extra five minutes of my first 20.

Again, it deals with the training issue. I'm quoting from the actual report: "The following are examples of flight crews who had not received required training—flight crews are identified by their pilot licence numbers." It goes through one, two, three, four, five, six—the last one, number six, gives me particularly great concern. It reads as follows: "controlled flight into terrain avoidance"—and it lists one, two, three, four pilots.

There was a May 31 crash of an Ornge helicopter. There's lots of speculation—we won't speculate in terms of what the causes were for that. But one of the things that I've heard from pilots, from front-line people at Ornge, is that there was great concern about the lack of training. Even though there were experienced pilots, what I'm told is that there was very little up-training that was taking place within the organization. This finding is particularly concerning. Again, we have to keep in mind, Ornge now has been operating for more than a year, and to have this kind of gap in training for pilots—this is not Dr. Mazza now; this is after the transition of management took place. This is after the new executives were put in place. This is after we have a new operations manager, a new accountable executive in place—and we have the findings of Transport Canada that fundamental training for pilots had not been put in place. That's very disconcerting for us.

I understand your explanation of SMS, and I understand that a system has now been put in place, where

you're counting on the co-operation of the air operators to actually make this inspection program work— isn't that correct?

Mr. Imi Waljee: No, what we are saying is that the responsibility and the accountability to meet regulatory compliance and to remain in regulatory compliance on an ongoing basis is the responsibility of the enterprise.

Mr. Frank Klees: That's right, and what we have here is clearly an enterprise that doesn't have the competency, does not understand the implications of not being in compliance and is putting people at risk.

My question to you as Transport Canada—we look to you as the oversight body to ensure compliance. My concern, quite frankly, is whether or not under the current SMS that we have—if there's far too much reliance on the operators themselves and if there isn't a gap here that should be filled in by Transport Canada to be much more proactive. I'll follow up on that in my follow-up questions, but I'd like your thoughts just very briefly on that principle of the role of Transport Canada. I know it was a government decision to basically bring in much more responsibility on the part of the operators, but at this point, I'm questioning the wisdom of that.

0850

Mr. Imi Waljee: Okay, so in your speech just now, you had really two questions that I see for me. One was how did we approve 7506406 Canada Inc. in the first place—

Mr. Frank Klees: Yes.

Mr. Imi Waljee: —and the SMS question.

I'll start with how we approved it. The regulations, under air operators, say the minister shall issue an operator certificate when an enterprise meets certain conditions. The obligation is on the minister to issue the certificate when somebody demonstrates to us that they have the capability and they meet the regulatory requirements—

Mr. Frank Klees: I'm sorry to interrupt, but this is very important. Are you telling me that at the time that you issued the certificate, all of these issues—they were in compliance at that time?

Mr. Imi Waljee: Exactly.

Mr. Frank Klees: So from the time that they went into business, under the current Ornge management, they went out of compliance. Somehow they had these training programs in place and, within a 12-month period, everything went into the basket. Is that what you're saying?

Mr. Imi Waljee: What we are saying is that at the time of issuance of the certificate, they met the requirements. We ensured that there were training programs in place, that they had a qualified crew, that they had maintenance requirements for their aircraft and that they had a maintenance control system for their maintenance requirements. They met all those requirements, and that's when we issued them a certificate to say, "Yes, you do meet the minimum requirements."

Mr. Frank Klees: Okay, so one other question if I might. There was a transition from Canadian Helicopters to Ornge management, to Ornge. When you did your

initial assessment, had the transition from Canadian Helicopters to Ornge taken place? Or were you basing your certification on the expertise, the training programs and all that involved the operations—were you basing that on the then Canadian Helicopters management?

Mr. Imi Waljee: No. So what happens is, whenever an enterprise comes to us and applies for an operator certificate, they have to present to us their manuals and their training program. Everything has to be under the control of the air operator. In this case, it's 7506406 Canada Inc. It has got nothing to do with Canadian Helicopters. This enterprise has to present to us how they're going to be running their business, how they're going to be training their crew and how they're going to be maintaining their aircraft. Then we issue the certificate. It is looking at that one particular company.

Mr. Frank Klees: How would Ornge have developed those manuals within the very limited space of time? Isn't it reasonable to assume that what they did was transfer or deliver to you or show you the manuals that were, in fact, Canadian Helicopters' manuals, and put their name on it without having the competency to actually deliver under those standards? Is that a possibility?

Mr. Imi Waljee: That would be speculation on my part, sir. We approve a manual which is presented to us by the enterprise, signed off by the accountable executive. That is what we get in our offices, and this is what our inspectors work with.

Mr. Frank Klees: And within 12 months, the accountable executive got a letter from Transport Canada saying, "You are out of compliance" with very critical aspects of the operations.

Mr. Imi Waljee: Yes, and that's the reason why we do inspections: to ensure that the company maintains regulatory compliance. When we talked about the risk profile, I mentioned to you that, because it's a new operation, we don't know a lot about it, how it is going to be functioning. So we go in there within a year to see what the health of the company is. When we do find non-conformances, we do identify them, and then the onus is on the enterprise to rectify them.

Mr. Frank Klees: Thank you very much.

The Chair (Mr. Norm Miller): Thank you. Mr. Klees used about 25 minutes, so we'll start with that for the NDP. Mr. Singh?

Mr. Jagmeet Singh: Chair, thank you very much.

Good morning. Thank you for being here today. I just want to touch on some of the points that you just raised about—you had indicated that there's a minimum standard that a company or enterprise has to achieve before they receive a certification. Is that correct?

Mr. Imi Waljee: Correct.

Mr. Jagmeet Singh: Are there different levels? That's the minimum standard. But if a company has surpassed the minimum standard, do you assign a certain level to that, that this company is in an excellent condition, or that their manuals and their safety protocols—"In the inspection that we've done, we've assessed them at a higher or a lower"—or do you just have a minimum that they need to achieve?

Mr. Imi Waljee: Okay. Sorry, I forgot to answer the second question for Mr. Klees when he asked about SMS. I just want to clarify that 7506406 Canada Inc. does not come under the SMS regulations because it is not under a part 5 operation. So SMS rules do not apply to Ornge at this particular time.

The Chair (Mr. Norm Miller): Thank you for that clarification.

Mr. Imi Waljee: Going back to your question: When I say “minimum requirements,” in order to be issued a certificate of operation, when the company presents to us, we ensure that they meet the minimum requirements, which say you must have a flight crew who’s trained and you have a maintenance program in place.

Then as the company matures, and it starts working with its systems and processes in place, it might start using best practices from industry and do a little bit more than what the minimum requirements are.

When we do our risk profiling that I talked about—we talked about the impact statement. This is where we take into consideration: Does the company have an SMS? Does the company have safety intelligence other than what is normally being presented? Are they using that safety intelligence in the right manner, to improve their operation?

Then we give them a scoring which changes the schedule. Maybe if they have all these best practices, they might go to a five-year period instead of a one-year period or a two-year period.

Mr. Jagmeet Singh: I see.

Mr. Imi Waljee: That’s how we use this intelligence to set up our program schedule: When do we go and do an inspection on this company?

Mr. Jagmeet Singh: Okay. Just to give a range, if a company is just meeting the minimum requirements, that means the risk profile that’s generated would require a yearly inspection?

Mr. Imi Waljee: Not necessarily. It all depends upon the change of the company. Like I said, the risk profile sets up a baseline, and as the company is undergoing change—let’s say they add more aircraft; maybe they add extra sub-bases; maybe they start doing an international operation—then it changes the state of that organization, and then it would change the risk number. Then, depending upon where it sits in the risk matrix is whether we would go in there at a one-year period or a two-year period.

Mr. Jagmeet Singh: Okay. What is the minimum timeline that you’ll go back into a company? I’m assuming it’s a one-year period. Could it be less than that? Six months?

Mr. Imi Waljee: Yes. That’s a very good question. In my opening, I explained to you there is planned surveillance and unplanned surveillance. Planned surveillance is—we have in Ontario approximately, let’s say, just for illustration purposes, 300 enterprises. When we do our surveillance planning, over the five-year period, we look at these 300 enterprises and say, “Where do they fit in this matrix?” to work out when we’re going to pay them

a visit for our inspection purposes. The planned surveillance is between one and five years.

Now, in your question, you said, “Can you go in sooner?” Sure we can. When we get any intelligence that there is something going on with this enterprise, or we see some incidents occur, we go into what we call unplanned surveillance. Then we can go in there and do an inspection, based upon what we have uncovered. So, yes, it can be under a one-year period. Absolutely.

Mr. Jagmeet Singh: Okay. You talked about intelligence or incidents. An incident would be, I’m assuming, if there was a serious crash or some sort of accident that occurred. That would be considered an incident, and that would prompt, perhaps, another inspection?

Mr. Imi Waljee: Sure. It could be a hard landing or any other incident, besides a crash. It could be any kind of incident.

Also, we get the civil aviation daily occurrence reports, or CADORs. These are also good triggers for us. If there is a CADOR that has been raised that we feel requires our intervention, and we want to go in and inspect the company, based upon the CADOR, we can go in there and look at that. These are the triggers that will make us go in there sooner than the planned surveillance cycle.

0900

Mr. Jagmeet Singh: And a CADOR is like a daily report that you receive?

Mr. Imi Waljee: Correct. Maybe Yves can expand on what the CADOR is.

Mr. Jagmeet Singh: And what does it stand for?

Mr. Yves Lemieux: Civil aviation daily occurrence report—

Mr. Jagmeet Singh: Sorry?

Mr. Yves Lemieux: It stands for civil aviation daily occurrence report. These are any incidents that Nav Canada would see—

The Chair (Mr. Norm Miller): Excuse me. Can you speak a little bit into the microphone? Not too close—but just to the benefit of Hansard, please.

Mr. Yves Lemieux: Okay. There are various categories. Some are relatively minor, and then others require us to follow up on the incident. That’s when we contact the company, and then we look at the process that could have been involved in the incident itself. Then we look at the investigation that the company carried out, the issues that they’ve identified, whatever they are, that they need to correct to make sure that it doesn’t reoccur. That’s basically it. Then we follow up on that and we keep track.

These incidents, also, are looked at again when we do PVIs, and then, also, they may impact on a risk profile of the company if, for example, something reoccurs.

Mr. Jagmeet Singh: I see. So the CADORs can impact the risk assessment and, based on that, you might be more likely to have an earlier visit or an unplanned visit.

Mr. Yves Lemieux: Absolutely.

Mr. Jagmeet Singh: Okay. And then the intelligence you were talking about—is that something where you receive a complaint from someone saying that there’s a

problem here at this base or a problem with this enterprise? What is the intelligence?

Mr. Imi Waljee: It can be. Many times, we have our civil aviation issues reporting system, CAIRS, which is a confidential system where people can go in, they can be anonymous, and they can identify some issues with any companies or personnel. Then we are bound to do some kind of a review on that CAIR to see, is it valid? Is there any substance behind what has been reported in there? We do investigate that.

Mr. Jagmeet Singh: Sorry, what was the name of this anonymous line again?

Mr. Imi Waljee: It's the civil aviation issues reporting system, CAIRS. It's an online system.

Mr. Jagmeet Singh: Civilian—

Mr. Imi Waljee: Civil aviation issues reporting system.

Mr. Jagmeet Singh: Civil aviation—

Mr. Imi Waljee: —issues—

Mr. Jagmeet Singh: —issues—

Mr. Imi Waljee: —reporting system.

Mr. Jagmeet Singh: —reporting system. Okay. That's good. And is this a number that anyone—for example, any civilian or anyone who works in the company, anyone can use that?

Mr. Imi Waljee: Anybody. It's open to the public. They can file a report in there.

Mr. Jagmeet Singh: Okay. And it's completely anonymous?

Mr. Imi Waljee: You can be anonymous or, if you want a response, you can say, "I would like a response," and you can give your information. Then once we had looked into what the issue was, we would forward a response to the person to say, "Okay, this is the result of what we did."

Mr. Jagmeet Singh: Okay. Now, my other concern: Is there a relationship between what you do at Transport Canada—providing oversight for aviation, which is a very important responsibility, and I appreciate that you're doing that. Is there a relationship between Transport Canada, which is a federal entity, and—is there any reporting obligation to the provincial government? Because there's an overlap—this is a provincial entity that's providing a provincial service, but because they're aviation, there's a federal jurisdiction. Is there any sort of reporting requirement between the federal government and the provincial government, or does the provincial government have any access to these, whether it's the risk assessment or the compliance? Is there any sort of interplay between the two?

Mr. Imi Waljee: I don't believe so.

Mr. Yves Lemieux: No, no. No, there isn't. The safety of operations is 100% the responsibility of the federal government. We make sure that what we approve—and then, through our surveillance program, confirm that a company continues to be compliant.

Just a little bit of clarification on the statement that the regulations are in place—and we say "minimum requirement": That requirement is based on historical perform-

ance, i.e., we could go for the Cadillac, which would be just out of this world. However, we put in a floor as to where an operation needs to be in order to be safe. That's how we define the regulatory requirement—the standards, for example—and that's how these are established.

It's not unique to Canada; it's worldwide. ICAO, the International Civil Aviation Organization, sets those limits. Some people may be nervous about a minimum requirement. Actually, at minimum, we believe that it is a safe operation. Historically, it has been. If you're compliant at the minimum requirement, you're safe.

Mr. Jagmeet Singh: Okay. That's good to know. So the minimums are not the bare bones—

Mr. Yves Lemieux: Absolutely not.

Mr. Jagmeet Singh: That's good to know. If you're able to—and if you can't, just let me know. Before Ontario had Ornge, there was the Ontario Air Ambulance. Are you familiar with the Ontario Air Ambulance and what their compliance was with respect to Transport Canada and whether there were any compliance issues?

Mr. Imi Waljee: I'm sorry. I don't understand your question.

Mr. Jagmeet Singh: Sorry. We're speaking of the compliance issues. Between January 9 and January 24, you conducted a PVI on Ornge specifically and you identified some issues with Ornge. Before that, Ornge had received a certificate that they met the standards. Subsequently, when you did a PVI, you had identified some areas of concern regarding training, record-keeping and various other issues.

Previous to the existence of Ornge, which is an entity that provides ambulance service in Ontario—previous to Ornge, there was an entity doing the same service, providing the same service. It was known as Ontario Air Ambulance. Are you familiar with that organization and what their compliance was?

Mr. Imi Waljee: We approve air operators on an individual basis; right? So when an enterprise comes to us and they want an air operating certificate, we look at it as an entity, as a stand-alone. The service they provide is whatever they—is it passenger-carrying? Is it air ambulance? Is it aerial work? Their operation is subsidiary. As long as they meet our regulatory requirements to be issued with a certificate, we will issue them a certificate.

Mr. Jagmeet Singh: I understand. I'm trying to ask you a question about another entity that existed before Ornge, and if you had any records in terms of their compliance and what standard they were achieving and whether there were compliance issues like training issues or record-keeping issues in that previous entity, but I don't think you have that information before you.

Mr. Imi Waljee: No.

Mr. Jagmeet Singh: That's fine. Okay. Moving forward, what type of relationship do you have with Ornge? Where does it sit in the risk matrix, and what is your anticipation for future PVIs or inspections, planned or unplanned? What's your expectation?

Mr. Imi Waljee: At this present time, Ornge is putting its long-term corrective action plan into place.

What we will be doing is, we will be conducting follow-up to make sure that the long-term corrective action that Ornge has provided to us is being implemented and is being effective. Then, when we do this follow-up inspection, we will go and update our risk profile to see where it comes up.

So every time there is any change in an organization is when we go in there and update our system. As I said, that system is based upon measuring change and how the company is coping with the change.

Mr. Jagmeet Singh: Okay. And given the fact that your PVI came back with non-compliance or issues around those topics we've discussed, I'm assuming that that has resulted in a risk assessment that's lower now or—there's more risk associated, so it's going to be a target, versus another company that had no compliance issues which would be maybe less of an issue and they might have a longer duration between their inspections. Is that a fair—

Mr. Imi Waljee: Yes. It's possible. Like I said, when we go and do our follow-up, we might find that the company has got good systems in place and they have good, robust processes in place and they're effective. Then, when our inspectors go back and update our questionnaire, we'll see where they fall into the risk matrix.

Mr. Jagmeet Singh: At this point in time, you indicated that they're putting together a long-term plan, and you'll assess that once that long-term plan is put together. It has not been presented to you yet, I'm assuming; is that correct?

Mr. Imi Waljee: No. The long-term plan has been presented to us because we have accepted the corrective action plan. They are now in the process of implementing it. So we would like to give them some time to implement it, to make sure it's effective, before we go in and check it. There's no point looking at it right away because they haven't had a chance to work at it. So we want to allow them to work at their plan, and then we go in there and inspect to make sure that it is effective.

0910

Mr. Jagmeet Singh: What was the corrective action, if you could just outline that again? And how satisfied are you with that corrective action at this point—the immediate corrective action?

Mr. Imi Waljee: Well, the immediate corrective action is, like Mr. Frank Klees talked about from the report, the company said, "We are not going to be allowing our pilots to fly unless they get the training." That was their immediate short-term fix. The long-term is, they're putting a system in place to make sure that this issue does not recur again. They presented us with a corrective action plan to say what systems they're going to be changing, how they're going to be implementing it and the timelines under which they will implement it. We accepted their plan, and now we will go back and begin the process of evaluating some of the long-term corrective actions.

Mr. Jagmeet Singh: If you were able to compare, just on a broad level, the way Ornge, or the numbered com-

pany that you've given, has handled this situation compared to other companies, are you satisfied with the way they handled it or the manner in which they responded to your concerns?

Mr. Imi Waljee: When we look at the approach, we don't compare a company to a company. We look at an enterprise. How did this enterprise deal with it? Are they willing and able to deal with the situation? Are they implementing the corrective actions? We look at it on an individual basis. We go in and inspect and say, "Okay, you told us that you were going to implement a certain action. Did you implement it? Is it effective?"

Mr. Jagmeet Singh: Did you get any heads-up or any intelligence prior to your PVI that there were pilots and staff who were concerned about the safety of the night flights or the safety of the flying in general at Ornge?

Mr. Imi Waljee: I am not aware of that. I can look into our records and get back to you, but at this time, I am sorry; I don't have that information.

Mr. Jagmeet Singh: Sure. I noticed, Mr. Lemieux, you were also shaking your head in the negative. You weren't aware of any intelligence prior?

Mr. Yves Lemieux: No.

Mr. Jagmeet Singh: No, okay.

Beyond the PVI and beyond the now-anticipated long-term strategy that will be presented to you in more detail, are there any day-to-day interactions between yourself and Ornge? I guess there's the CAIRS reports that you receive. Do you receive those daily?

Mr. Imi Waljee: No. I gave an example of intelligence because you asked me the question of what were the types of intelligence we can get, and CAIRS is one methodology under which we get intelligence.

Mr. Jagmeet Singh: I see.

Mr. Imi Waljee: We interact with the company on a regular basis because we are doing follow-up actions with the company. They submit a manual for amendment because, as they are implementing the corrective action plan, they're changing the processes and procedures, so they submit amendments to their manual for our approval.

Mr. Jagmeet Singh: Okay. So at this time, can you describe the regular interactions between yourself and Ornge, and who is it that you're interacting with?

Mr. Imi Waljee: We have principal inspectors who are responsible for Ornge. We have a flight operations inspector who looks after the flight operations aspects of the organization. We have an air-worthiness inspector who looks after all the maintenance requirements of the company. Between the two of them, they manage the day-to-day operations of the company. They are interacting directly with key personnel. For example, the air-worthiness inspector would be interacting with the personnel responsible for the maintenance control system—

Mr. Jagmeet Singh: At Ornge.

Mr. Imi Waljee: At Ornge. The flight ops inspector would be interacting with the chief pilot and the ops manager.

Mr. Jagmeet Singh: Okay. In terms of a schedule of how regular that is, it would be the inspectors themselves that would be able to give that information about how often or how regular their interactions are?

Mr. Imi Waljee: Correct. It depends upon the submissions from the company, how often they make them, what their queries are, what information they are looking for. It will depend on that.

Mr. Jagmeet Singh: Just a quick moment's indulgence: How much time do I have left?

The Chair (Mr. Norm Miller): You have six minutes.

Mr. Jagmeet Singh: I'll take it on the next round.

The Chair (Mr. Norm Miller): Okay, very good. We'll move to the government. Mr. Mauro.

Mr. Bill Mauro: Thank you, Mr. Chair. Gentlemen, good morning. Thank you for being here today. We appreciate your attendance.

I noted in your opening remarks that the two of you share responsibility for Ontario; one is east, and one is west, so at least one of you has some familiarity with Thunder Bay, I'm sure. That's my riding, and this issue of air ambulance services, of course, in northern Ontario is extremely top of mind for people, certainly in my neck of the woods, but obviously for the entire province. Which of you is it who has the western—

Interjection.

Mr. Bill Mauro: That would be you. Okay. I've got a series of questions. But first, I wanted to ask again about the frequency of your visits. I heard you give a response earlier. But I also want you to let me know if any of your visits are unannounced or if they are all scheduled.

Mr. Imi Waljee: Okay. We have two methodologies of surveillance. We talked about planned and unplanned. Our unannounced visits are unplanned activities which would be driven by a trigger. It could be from CADORS, which is a civil aviation daily occurrence report, or it could be some intelligence that somebody has given us saying, "There are some issues with this operator. We want to have Transport Canada look at it." We can do that. But normally, out of courtesy, we would call the operators and say, "We are coming in today to look at your records," so that they can prepare the records for us.

Mr. Bill Mauro: Okay. So the frequency of visits—somebody asked you earlier about frequency. I'm thinking it was one to four—

Mr. Imi Waljee: One to five years, that's the planned surveillance.

Mr. Bill Mauro: That's kind of where I'm going. On the frequency, when you responded to that question, those were planned visits?

Mr. Imi Waljee: Yes.

Mr. Bill Mauro: But the unannounced visits that can be triggered by reasons that you've just explained to us would be in addition?

Mr. Imi Waljee: Yes, correct.

Mr. Bill Mauro: And those could be anywhere from none to a number, depending on the quality of the carrier

or information that you gather through a variety of means.

Mr. Imi Waljee: Correct.

Mr. Bill Mauro: What are some of the ways that you would receive information that would trigger an unannounced visit?

Mr. Imi Waljee: We get quite a few through our Civil Aviation Issues Reporting System. Another way is that a person might call one of the principal inspectors or maybe one of our technical team leads who's a supervisor of a particular Transport Canada centre; for example, Thunder Bay. Or somebody might call our issues managers, or they might put in a comm request from headquarters. There are multiple ways where information can be given to Transport Canada.

Mr. Bill Mauro: Do you have any sense of how many unannounced visits were made to Ornge and its bases?

Mr. Imi Waljee: No, I don't have that.

Mr. Bill Mauro: I want to just step back a little bit before going forward with the questions as to the beginning of Ornge. You identified, in your opening remarks, three companies, I think: one fixed-wing, one maintenance or refurbishment, and then the third one, the rotary. To be clear, before Ornge began their operation, from Transport Canada's perspective, all three of those different business lines were in compliance, according to Transport Canada?

Mr. Imi Waljee: Correct, the three companies that we talked about.

Mr. Bill Mauro: Sorry?

Mr. Imi Waljee: The three companies that we talked about.

Mr. Bill Mauro: So they were all inspected. That's a normal course of procedure—

Mr. Imi Waljee: Correct.

Mr. Bill Mauro:—when a new operation is starting. You show up, you inspect, and you do your work. They don't get to go lift off the ground before you've been there.

Mr. Imi Waljee: Correct.

Mr. Bill Mauro: That happened with all three of those business lines. Once Ornge took over from CHC, this occurred. Transport Canada was there on all three business lines and inspected them. You have records that would prove and indicate you were there, inspections occurred, and everything was fine.

Mr. Imi Waljee: So just for clarity, Ornge Global Air Inc., which was the fixed-wing, was approved in 2009. Then the approved maintenance organization under Ornge Global Air Inc., which was Ornge Global Technical Services—that's their trade name—was approved in August 2011. Then 7506406 Canada Inc. was approved in January 2012.

Mr. Bill Mauro: When did Ornge begin its operations? Those companies you just described, those are what you see as their start dates?

Mr. Imi Waljee: Yes.

Mr. Bill Mauro: There was a series of questions asked by the other members that I thought were good

questions that made me pause and consider a couple of things. When you, through Transport Canada, go in and do your PVI or whatever other methods of inspection, to confirm compliance; when you go in and you identify shortcomings—first of all, your processes are the same for all carriers, all kinds of carriers? There's no distinction between an air ambulance and a commercial carrier, a charter carrier?

0920

Mr. Imi Waljee: No.

Mr. Bill Mauro: Everybody's treated the same. Your PVIs, whatever it is you do—everybody's treated the same?

Mr. Imi Waljee: The inspection methodology is the same for everybody.

Mr. Bill Mauro: Okay. The inspection methodology is the same for all carriers in Ontario, and it's the same for all carriers in the rest of Canada?

Mr. Imi Waljee: We have our policy document, our staff instruction, SUR-001.

Mr. Bill Mauro: Right.

Mr. Imi Waljee: We are under issue 5 right now, and all Transport Canada Civil Aviation inspectors conducting surveillance activities had to do it by that policy document.

Mr. Bill Mauro: That policy document applies across the country?

Mr. Imi Waljee: Correct.

Mr. Bill Mauro: Okay. The questions that were asked that indicated—I suppose it's not unusual, although concerning for all of us, that you're occasionally and from time to time going to find carriers non-compliant for some of their responsibilities. Your response was a little concerning for me—and I think probably for all of us, but that's why I asked you the first questions about everybody's treated the same—and indicated that when you find, through your work, areas of non-compliance, it sounds like it goes to an area of some sort of self-regulation where, internally, the operator, the enterprise—in this case, Ornge—has the capacity, the responsibility, to continue operating while they are addressing the shortcomings identified by your investigation. Have I got that accurate?

Mr. Imi Waljee: Yes. Again, to clarify, when we talked about a company responding to our findings, we talked about a short-term fix and a long-term fix, which is expected. In this particular instance, where they voluntarily grounded the crew to make sure they did not fly the next flight, this is the action that the company took. They mitigated the risk right away.

Mr. Bill Mauro: Yes.

Mr. Imi Waljee: The long-term fix is, they're going to put a process in place to ensure that that does not recur again. That is what we are interested in, to see: Is that long-term fix effective? Is it working, so that this issue does not recur again?

Mr. Bill Mauro: I want to look back to one of my first questions. When you have identified some non-compliance, for whatever reasons, and then this other

piece kicks in where the operator, or the enterprise, has the responsibility to fix, does it trigger the frequency, or the unannounced visits from you, more than normally would be the case? Once you've been there once and you've identified some concerns—and everybody's the same; they self-regulate to some degree. I'm not sure that's the best language for me to use—

Mr. Imi Waljee: No, it's not.

Mr. Bill Mauro: It's probably not. But they have to come into compliance—

Mr. Imi Waljee: Exactly.

Mr. Bill Mauro: —based upon your findings, and they have responsibility to do that. What does Transport Canada do, once you've identified them? Does your frequency of inspections stay the same? Are you more likely to visit that carrier more frequently on an unannounced basis, on an announced basis? What happens once you've identified—

Mr. Imi Waljee: We talked about the company's willingness and ability to come up with a corrective action plan to ensure compliance, right? When we get their long-term timetable, which says, "At this time frame, we will be implementing certain processes, procedures," we would go in there to make sure that they are on track with their timeline. And then, once they have implemented it fully, we would go back again and ensure that the full process is effective.

It is not that we leave them hands-off. We do ensure that we are monitoring their timeline for compliance to the long-term fix. Then we would go back in there again and update our risk profiling and see where it falls in the matrix. Does it increase the frequency? Does it shorten the frequency?

Anything else you want to add?

Mr. Yves Lemieux: Just one thing: When a non-compliance has been identified, and then they come up with a plan to correct it—first of all, I want to emphasize again that if, for example, there's a deficiency in the training of a pilot, of a maintenance person, it has to be fixed immediately. The pilot cannot go flying until that's fixed. So when the pilot goes flying, they are compliant.

During the implementation of a corrective action plan, we will go in unannounced and then follow up and ensure that in fact it is progressing at the rate—because the corrective action plan also has a target date, and we will go at whatever frequency that the PIs, the principal inspectors, feel necessary to ensure that they are on track, that they are following up what they were saying that they were going to do, monitor whether it is effective. Then, ultimately, at the end of the period, we have a look at the whole system they have in place now to ensure that this original issue will not occur again, and basically, that closes it.

If we have a concern, for whatever reason, we go into the database and put a flag on this item, and then it may or may not impact on the score, on the risk profile of the company. Again, it depends on the item. If it was administrative, i.e. training records were not being maintained properly—if we're satisfied that the training took place;

however, the training record was out of date—well, this is a non-compliance, but from the safety point of view, there's not.

Mr. Bill Mauro: You've gone to the heart of where I wanted to follow up. So when you've identified non-compliance, you are paying more attention to that particular enterprise?

Mr. Yves Lemieux: Absolutely.

Mr. Bill Mauro: There is obviously a degree of importance—and I'm being careful with my language here because, again, as a non-professional, I'm not in any way wanting to convey that we understate the importance of this work—but there are factors that might be non-compliant that of course would cause Transport Canada less concern than others. As you said in your response, if a pilot was identified as not having, as an example, an appropriate level of training, that's not something that they would be able to—that shuts down immediately this person. Have you ever had that experience with Ornge?

Mr. Imi Waljee: One of the reports that Mr. Klees just read out, for example, shows that. The company voluntarily stopped the crew from flying till they made sure they were trained, and then they were releasing them as they got trained.

Mr. Bill Mauro: How did they get to that point?

Mr. Yves Lemieux: You'll have to ask them.

Mr. Bill Mauro: We'll have that opportunity this afternoon.

Transport Canada has the authority to ground civil aviation operations; correct?

Mr. Imi Waljee: Correct.

Mr. Bill Mauro: Can you give me a sense of some of the circumstances that would lead to you grounding a carrier?

Mr. Imi Waljee: I described to you that when we do an inspection, our desired response is to start with a corrective action plan—that is the first step—where the company is willing and able to comply. If the company is not willing and able and they are not really responding appropriately or correcting their non-conformances, we have the option of going to enforcement, where we can levy a fine through our designated provisions. The next step we can also do is issue a notice of suspension. A notice of suspension would have a trigger date which says that you must fix or you must comply and do certain actions for us to terminate the notice before it kicks in. If an enterprise does not meet the conditions for the termination of the notice of suspension, the notice of suspension would come into effect and then the carrier would be grounded.

So we do have the tools to use, depending upon the severity and the situation at hand.

Mr. Bill Mauro: Has Ornge ever been grounded?

Mr. Imi Waljee: We have not issued a notice of suspension that I'm aware of to Ornge.

Mr. Frank Klees: You have.

Mr. Yves Lemieux: When they effectively grounded themselves until all pilots were—I believe there was a statement that read that they actually had stopped oper-

ations at various sites, for example. So that was voluntary on the part of the company, again until everything was in place and back into compliance.

0930

Mr. Bill Mauro: Okay. They're flying today. When was the last time your operations have inspected Ornge?

Mr. Imi Waljee: We did a process inspection back in June of this year. The inspectors have been following up on the corrective action plan of the report that was done for the January program validation inspection. So they are in constant touch with Ornge and conducting inspections as they're progressing through their fixes for the long-term corrective action.

Mr. Bill Mauro: You have each been doing this work with Transport Canada for some time?

Mr. Imi Waljee: Sorry?

Mr. Bill Mauro: Five years, 10 years, 20 years?

Mr. Imi Waljee: I've been with Transport Canada for 17 years.

Mr. Bill Mauro: Seventeen?

Mr. Yves Lemieux: Longer—

Mr. Bill Mauro: Longer than that?

Mr. Yves Lemieux: Twenty-five years.

Mr. Bill Mauro: I'm just trying to get a sense of, through your experience of doing the work that you do, how you would compare, if you can for me, this operator with previous operators in terms of non-compliance. I don't know if you're able to do that. I would think you might be able to give us some indication of—I'm not looking for you to tell me that one is better than the other, but it's not unusual to find areas of non-compliance with any carrier, I would expect. Can you give me some sense of that historically—I guess I'm saying, pre-Ornge, post-Ornge?

Mr. Imi Waljee: It's very difficult to compare operation to operation because each operation is unique in how they run their operation and the processes and systems they use for their particular operation. Our interest is to ensure if the company is compliant with the regulations or not when we do the inspections, and if a company is in regulatory compliance, then their operating certificate is still valid. When a company is suspended due to a lot of non-compliances, then we would suspend a certificate, but as long as the company has a valid operating certificate, they're in compliance with the regulations.

Mr. Bill Mauro: How much time do I have, Mr. Chair?

The Chair (Mr. Norm Miller): Seven minutes.

Mr. Bill Mauro: I'm going to leave a little bit of time, but I will ask one more question. I just want to circle back to a previous question in terms of—if you can give me a bit of a timeline. Once you have identified non-compliance—and those items, of course, have varying degrees of importance—can you give me a sense of Transport Canada's timeline associated with your follow-up once you've been onsite and identified those areas of non-compliance?

Mr. Imi Waljee: When a company has got major non-compliances identified, our expectation is that their corrective action plan is going to be more robust, is going to be more detailed than an administrative one like the one Yves gave, for example, for missing training records. Because the corrective action plan is going to be more detailed, our follow-up would be matching the same way because we want to make sure that those major non-compliances are addressed in an appropriate manner. So our follow-up would be more stringent, would be more hands-on. We would be paying a lot more attention to those specific findings than the administrative types of findings.

Mr. Bill Mauro: My last question for now would be this: If you found yourselves, as Transport Canada, visiting a base and found non-compliant issues serious enough that you felt Transport Canada needed to ground the carrier, and given that the carrier is providing air ambulance services in Ontario, what, if anything, would you do to ensure—what's the interface between you and the province through the Ornge board to ensure you wouldn't see a gap in services if you showed up and felt you had to shut down a carrier?

Mr. Imi Waljee: Our responsibility is with the air operating certificate—

Mr. Bill Mauro: Right.

Mr. Imi Waljee: —and the carrier by itself: Is it in compliance with the regulations or not? If there are non-compliances identified, our first step would be to identify to the company—

Mr. Bill Mauro: Your first step would be to?

Mr. Imi Waljee: To identify to the company the non-compliances, saying, "Look, this is what we are seeing. How are you going to deal with these non-compliances?" Depending upon the response we get—would be whether we take further action or not. And if it's—

Mr. Bill Mauro: I guess I'm asking you, if you did take further action and if that action was to ground the carrier, in this case a carrier that's responsible for the provision of air ambulance, there would clearly be a service gap here for the people who are counting on that service. So I'm trying to get a sense of what your role is, if there is one, to ensure that the province has some—I'm just trying to connect those two dots. If there is a connection—

Mr. Imi Waljee: We deal with an air operator certificate—

Mr. Bill Mauro: Understood. That's where I thought you were going. So to be clear, if you show up tomorrow at a base that does this work, you shut them down; that's it. The province would be left to scramble to ensure that they could—would you make a phone call? Would you send a fax? Would you let the Ornge board know? No communication at all? You just say, "You're non-compliant. You're done."

Mr. Imi Waljee: Let me explain to you about our notices of suspension and how they work. We have two methodologies for our notice of suspension. One is an immediate threat to aviation safety, which is an immedi-

ate thing. For example, that would be a situation—let's say they're ready to dispatch an aircraft, any air operator, and let's say they've got icing on the wings. That is an immediate threat, so we say, "You're suspended. Until you clean up the ice off your wings, you are suspended," because the company wasn't doing it willingly, right?

The second notice of suspension that we issue has got a time trigger on it, which is based upon three elements of the Aeronautics Act. So under the act, it is for reasons of incompetence. The company does not meet the conditions of issuance of the certificate that we issued to them back in 2012—or in the public interest, this company cannot operate. These are the three conditions under which we can issue a notice of suspension.

When we do the notice of suspension under this part of the Aeronautics Act, we have a trigger date that says, "Here is a notice. We are going to give you a time frame of"—depending on the severity—"30 days, 15 days to meet the conditions for the termination of the notice." The carrier or an AMO is not grounded at that particular time. They have that time period to meet the conditions to terminate the notice.

Mr. Bill Mauro: Understood.

Mr. Imi Waljee: When they don't meet that, that's when the notice takes effect.

Mr. Bill Mauro: So perhaps for me, it will be a better question this afternoon for Mr. McCallum to see what processes Ornge has in place for them specifically, as well as for their SA carriers, to ensure that if something like this were to occur, there's a plan in place that's going to meet the gap that would be created by a grounding. Okay.

Mr. Chair, thank you very much. How much time did we have left?

The Chair (Mr. Norm Miller): Thank you very much. You'll have about 11 minutes in your next round.

We'll go to Mr. Klees. You have 10 minutes.

Mr. Frank Klees: Mr. Waljee, I appreciate the information that you're providing to us. I do have one concern, though. I'm getting conflicting information, and we're not here to whitewash things, right? I've heard you repeatedly say that the shutdown of these bases, based on your report—when it was found that there was the gap in the training of the pilots, you repeatedly used the term that they "voluntarily suspended operations." Mr. Lemieux confirmed, in response to Mr. Mauro's questions, that if in fact there was a problem with the training of pilots, then they wouldn't be allowed to fly. Which of you is telling us the factual truth here?

Mr. Imi Waljee: What Mr. Lemieux is saying is the same thing. Once the company identifies that the pilots are not trained, they themselves voluntarily stop them from flying till they can train to fly.

Mr. Frank Klees: No, no, no. I'm asking a question—seriously, I don't want to be spun here on this. The fact of the matter is, whether the company decided to suspend operations or not, is it not a case that Transport Canada would not allow that company to lift off?

Mr. Lemieux, I'd ask you to confirm: If, in fact, in your inspection reports you find serious problems, as you

did here with Ornge, in the training of pilots, Transport Canada would, essentially, suspend operations. You wouldn't let them fly. Is that correct or not?

0940

Mr. Yves Lemieux: That is correct.

Mr. Frank Klees: That is correct.

Mr. Yves Lemieux: Actually, the grounding, or the halt, in operation took place on the day that we uncovered—they didn't wait for the March report to act. So when the company takes action to meet our satisfaction okay, basically these pilots will not get in a cockpit until we have completed all training and we're satisfied with that. It is still on record that we uncovered this non-compliance. It's not that, all of a sudden, we say, "That's fine. We'll forget about that and that's it."

Mr. Frank Klees: So I thank you for that, because it was very disconcerting. It's not a matter of Ornge voluntarily stopping; it's a matter of Ornge having no choice, based on the Transport Canada inspection. This is important.

The reason I wanted to clarify that is that I don't want to leave the impression that somehow—there are two concerns I have: One is that Transport Canada is kind of a nudger or a suggester of safety measures; and somehow that Ornge is so gracious in terms of its response that they voluntarily have suspended. Ornge had no choice, because they failed miserably in terms of training its pilots. Transport Canada stepped in and said, "You cannot lift off with those pilots until you get your training in place." Is that correct?

Mr. Yves Lemieux: That is correct.

Mr. Frank Klees: Thank you very much.

I know, gentlemen, that you can't speak to policy. I would like to ask this question, though: When was it that this self-policing policy was put in place under Transport Canada? Can you tell us when that transition to this self-policing, this SMS program, took place?

Mr. Imi Waljee: There is no self-policing. The requirements for an SMS—again, Ornge is not an SMS company—

Mr. Frank Klees: That's not my question.

Mr. Imi Waljee: SMS is a methodology for an enterprise to manage risks.

Mr. Frank Klees: When did that policy get put in place?

Mr. Imi Waljee: I believe it came out in 2006, or 2005 is when for the—

Mr. Yves Lemieux: The 705.

Mr. Imi Waljee: —705 carriers and approved managed organizations who performed work on—

Mr. Frank Klees: Okay. Ornge may not be an SMS carrier. However, under the fixed-wing side of the Ornge operation, the carriers that Ornge contracts with are under SMS.

Mr. Imi Waljee: These rules don't apply to the 704 carriers—

Mr. Yves Lemieux: Or 703.

Mr. Imi Waljee: —or 703.

Mr. Frank Klees: We had testimony here last week from Mr. Paul Cox, who is contracted to Ornge as a carrier. He is clearly under Transport Canada SMS operations.

I'm going to just quote you something. The reason I want to pursue this with you is that I have serious concerns about what's happening under that system. I'm going to read from our Hansard transcripts:

"When was the last time that you had a Transport Canada audit?"

His response was, "Two years ago."

"What were the findings of that audit?"

"I know we had quite a few findings."

My question back: "Can you give me an example of some of those findings?"

I'm going to read this into the record, and I want you to tell me whether this response concerns you or not: "A lot of it was quality assurance, new stuff that was coming out, the quality assurance SMS. Transport Canada was very vague on whether they were actually ever going to implement SMS and stuff like that, so it was hard to get to know whether you were going to need to do it or not. It's still kind of up in the air. We have SMS, but we don't have SMS as per the other air operators like Air Canada and big companies. We do it in the same style, but it's not the same."

Here's an air carrier—someone who was contracted to provide air ambulance service to Ornge. He's telling us that he's under SMS. He's telling us that he gets inspected by Transport Canada, but, somehow everything's up in the air; had lots of findings—not sure whether to take them seriously or not. How do you react to that?

Mr. Imi Waljee: Let me speak a little bit about the SMS. We had an SMS transition period when the 705 carriers were approved. The next phase of SMS implementation was with the airports. We had the group 1 airports, like Pearson airport, Montreal, Vancouver. The next phase of SMS implementation was the group 2 airports, and this is where the implementation period stopped.

Transport is reviewing the SMS requirements right now and coming up with a plan as to when the rest of the certificates will require SMS. In your particular example—and I'm guessing that this gentleman, Mr. Peter Cox, is a 704- or 703-type carrier?

Mr. Frank Klees: Yes, it's Mr. Paul Cox—

Mr. Imi Waljee: Oh, Paul Cox? Sorry.

Mr. Frank Klees:—and the name of the airline is Wabusk Air.

Mr. Imi Waljee: Yes, so that's probably a 703 air operator. SMS rules do not apply to them.

Mr. Frank Klees: Why would Transport Canada then inspect it under SMS?

Mr. Imi Waljee: No, we don't—okay. There is—

Mr. Frank Klees: Okay, let me just add one more thing to the record—and then if you could help me. I'm going to give you a quote. This is from a very large air operator in the province of Ontario. Here's what he wrote

to me following last week's testimony: "Audits, oversight and surveillance by Transport Canada has been reduced to the point that things are going backwards in the industry. Regulations are being broken and certain carriers make little effort to abide by the rules. Transport Canada comes in now to do an audit, and they don't even look at the aircraft. They want to know the paperwork is good. The aircraft could be falling apart or not legally equipped to fly and they would never know."

Now I have to tell you, that concerns me. Does it concern you?

Mr. Imi Waljee: Okay. Let me clarify two things you brought up. Number one was about the SMS approach and the inspection. When you mentioned that quality assurance does not apply and it is coming—I just want to clarify that quality assurance is applicable for an improved maintenance organization, and quality assurance is in place for an air operator's maintenance requirements.

Under the SMS rules, the next phase coming to the regulatory framework is quality assurance for the flight operations, but that has not yet been implemented. There are no regulatory requirements for a 705 air operator to have quality assurance. However, the maintenance aspect of the air operator, be it a 702, 703, 704 or 705—that rule is in place for quality assurance.

Our approach to surveillance is a systems-based approach, as we mentioned before. In the audit world, we used to go and we would say, "Give me your stack of paperwork and I'm going to go through it to see where the non-conformances are, and I want to go and look at stuff." The way we do our systems-based approach is that we do a review of the documentation of the air operator or enterprise. Then, the next step we do is we go and we do interviews with the people and we do sampling. What that tells us is that when we do the interviews, are the people responding to us, telling us what has been documented? Then, we do the sampling of end product, be it an aircraft inspection, be it a record inspection. Does the output of that system correlate to what the interview told us and what we read in the documentation? That establishes whether the system is effective or not.

When we look at the documentation and we get a different response when we are conducting our interview, and when we look at the end product, we get a different response, that tells us that the system is broken.

Mr. Frank Klees: So Mr. Waljee, here's the problem—

Mr. Norm Miller: Your last 30 seconds, Mr. Klees.

Mr. Frank Klees: Here's the problem: What we're hearing from the front lines, people who are in the business, is that those hands-on inspections are not taking place. I guess my question to you—and I'll leave you with this—is, who is inspecting the inspectors? If we're not getting that kind of front-line response, we have serious concerns, and not just about Ornge. The big problem of Ornge was a lack of oversight on the part of the Ministry of Health, on the part of the board of directors at Ornge. Now, my concern is that there is a

lack of oversight on the part of Transport Canada. That's very, very concerning to us.

0950

Mr. Imi Waljee: Can I respond to that?

The Chair (Mr. Norm Miller): Sure, you can. We'll move to the NDP, and if you want to start off by responding to that—

Mr. Jagmeet Singh: I have no issue with you taking the time to respond.

The Chair (Mr. Norm Miller): Thank you. We'll move to the NDP. Go ahead.

Mr. Imi Waljee: To clarify, I mentioned earlier on that we have issued a new version of our staff instruction 001. Version 5 was issued back in August of this year. The reason why this document was issued was in response to the Auditor General's audit of Transport Canada's surveillance methodology. The Auditor General identified a few shortcomings in our system, like you have identified, and this new version of the staff instruction is there to respond to that.

Part of the strengthening of our surveillance methodology is to have a very robust sampling plan in place. You are correct: There was a time period where inspectors were not sampling to the degree that was required. They were looking at documentation, and they were conducting interviews, and sampling was not being done to the extent that the intention of the document was. This new version 5 has strengthened that process. The documentation that inspectors come back with has to demonstrate that they did sample the end product. Be it an aircraft inspection, be it records or be it a component, there has to be some kind of a sampling to ensure that the output of the enterprise is meeting the regulatory requirements. We have taken care of that issue that you have identified.

Then we have our headquarters, which is going to be doing a quality review to ensure that the inspectors are abiding by the staff instruction and are doing the sampling as prescribed in our policy document.

Mr. Frank Klees: My concern is that this email came today—

The Chair (Mr. Norm Miller): Sorry, Mr. Klees. We have moved on to the NDP.

Mr. Frank Klees: My colleague—would you—

Interjection.

Mr. Jagmeet Singh: I have no problem with you asking.

Mr. Frank Klees: Thank you.

Mr. Waljee, I hear what you're saying. My concern is that this email that I shared with you today from a major air operator came today—today. This is what they're experiencing in the field today. So there may be a policy pronouncement, but it's not being implemented, and, collectively, we have a concern.

Mr. Imi Waljee: When was the inspection done at this carrier? If it was done prior to August of this year, the new staff instruction was not in place.

Mr. Frank Klees: I'm happy to put you in touch.

Mr. Imi Waljee: Okay.

Mr. Jagmeet Singh: The initial question from my colleague Mr. Klees was, who is inspecting the inspectors? We have the Auditor General, at all levels of government, providing that extra oversight, which is very, very helpful.

I think that's an important point: that if this new instruction is going to ensure that the sampling is done in a more robust fashion so that there are eyes on actual, tangible assets, making sure that the aircraft are themselves inspected—I think that makes sense, and it's reassuring to hear that.

In terms of how an inspection is done, do you have a number of inspectors assigned per province, or is it a number of inspectors nationally and they all go to assignments as needed? Is there a certain number per province?

Mr. Imi Waljee: The way we are structured at Transport Canada Civil Aviation is, we have Transport Canada centres—I'll speak for Ontario. In Ontario, like we've mentioned, we have east and west. In the west, I am responsible for the Thunder Bay Transport Canada Centre, the Hamilton Transport Canada Centre and Pearson. Yves is responsible for Sudbury, Ottawa, Buttonville and our aircraft certification folks at 4900 Yonge Street.

Within these Transport Canada centres, we have multidisciplinary teams. These consist of: air-worthiness inspectors, who look after the maintenance of an aircraft; flight operations inspectors, who look after the flight operations portion of the aircraft; cabin-safety and dangerous-goods inspectors. So when we do our surveillance planning, we go in there with the approach of a multidisciplinary team. Depending upon the size and complexity of the organization, we will send anywhere from two inspectors to five, six, seven or more, depending upon if we are doing a program-validation inspection; if we are doing an SMS assessment; how big this organization is; and how many bases it has got. The number of inspectors assigned would vary.

The inspectors would come from the TCC they're responsible for, the geographical area. For example, we talked about Wabusk Air. The Thunder Bay Transport Canada Centre inspectors would be primarily assigned to do the surveillance activity.

Sometimes we have a shortage of inspectors because of the scheduling. Then we would supplement it from other inspectors from our other Transport Canada centres, to help them conduct that surveillance activity.

Mr. Jagmeet Singh: Okay. What would the smallest team be, on average, and what would the largest team be?

Mr. Imi Waljee: Two.

Mr. Jagmeet Singh: Two is the smallest?

Mr. Imi Waljee: We always send a multidisciplinary team. So if you hold an air-operating certificate, you have a maintenance component to that air-operating certificate and you have a flight-operations component. We send an inspector for each of those disciplines.

Mr. Jagmeet Singh: Okay. I'm just going to turn your attention to the Transport Canada report that we've been referring to. The reference number ends in 17. On the second page, there are finding numbers, and we've

listed them. There are nine findings: three "critical," two "major" etc. I just want to understand what the impact of each of these things could be.

I understand, if you read through, you go into more detail, where you look at each of the findings and then an example of what the finding was, and then the expectation of how it's going to be addressed. Just to understand, kind of in layman's terms or just directly, what would be the impact—just briefly, if you could just summarize.

I'll just go through, for example, the cabin safety. It's a "moderate" classification, so it's not as serious as "critical," obviously. When I read that, it says, basically, that on their duties—persons assigned on-board duties—people weren't instructed on their duties, and that became a cabin-safety issue. What's the actual impact, in simple terms? If you don't know your duties, what could happen? What are the problems with not knowing that? What does that translate into?

Do you follow my question? If I just say to you, "Cabin-safety issue," and the issue is that they weren't instructed on this, what is the actual impact? What could happen? What's the weakness that follows from that directly? I could guess that "cabin safety" means the cabin is not safe, but what does that actually mean?

Mr. Imi Waljee: In this particular example, the person who is doing on-board duties—what happens is, normally the captain of the aircraft has to provide a briefing to the people in the back on safety, evacuation of an aircraft in an emergency—"These are the exits. This is where your fire extinguishers are located, your first-aid kit." They give a briefing.

When the configuration of an aircraft prohibits a captain from providing that briefing, they assign that duty to somebody else from the company who is going to be in the cabin and who can conduct that briefing and can inform the passengers that this is the emergency evacuation process in this particular aircraft. That's what this particular cabin-safety finding is—

Mr. Jagmeet Singh: Okay, I understand. In the "critical" areas, one of the things that came up was monitoring or being aware of the flight time and the rest periods of each of the flight crew. The safety impact of that is that if you have someone who is not taking enough rest time or has too much duty time, that would impact their ability to safely fly a vehicle or safely fly the aircraft. Is that what I understand that to be?

Mr. Yves Lemieux: It could be. That's why the duty time and rest time are there. It's to ensure that people can operate at their maximum capability and not be fatigued.

It's not so much the one occasion. It's just that if there is a continuum of not having enough rest, there's sleep deprivation. Therefore it could affect your ability to do the duties.

Mr. Jagmeet Singh: Okay. And if you could just tell me, then, out of these areas that you have addressed—I guess it's safe to assume that the "critical" areas were the areas of biggest concern. Of the "critical" areas, what was the major concern, if you could say what the most serious concern was? Are you able to say what the biggest concern was that Transport Canada had?

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Mr. Imi Waljee: What has happened is, like I mentioned before, we had version 5 of our staff instructions that came out. One of the changes in there was the classification of the findings, because what we had identified was that the verbiage of the classification of the findings was not quite accurate enough, and headquarters and our policy people agreed that the definitions needed to be changed.

And so, if you look at version 5 of our staff instructions, which has a policy on classifying findings, you will not see “critical” in there; it is “minor,” “moderate,” and “major.” Also, the methodology of addressing that type of classification has changed. While staff instruction version 4 was in effect, headquarters had issued an internal process bulletin to give us further guidance on addressing non-conformances and taking actions on companies where the reports were given out. It was like a bridge between the existing version 4 and version 5 before it came out.

Mr. Jagmeet Singh: Okay, but given that you had some issues with the use of the terms and that you weren’t satisfied, and now you have a new, more clear form where you have the new, redefined ways of classifying, just applying your own analysis to this, what was a major concern that Transport Canada had with Ornge—if you could identify the major, or one of the most important, areas?

Mr. Imi Waljee: I think the most important was really the lack of the training for the flight crew. Really, that’s number one. You want to make sure that the flight crew are trained before they go flying.

Mr. Jagmeet Singh: Okay. I might have a question from my colleague. How much time do I have?

The Chair (Mr. Norm Miller): You have six minutes.

Mr. Jagmeet Singh: We’re okay. No more questions. Thanks.

The Chair (Mr. Norm Miller): Okay, very well. Ms. Jaczek?

Ms. Helena Jaczek: Thank you for coming down to help us today. I guess we’re trying to understand exactly how significant these three “critical” findings in Ornge’s PVI are. Obviously we know that they voluntarily grounded themselves and suspended operations until they had made the corrective action. But in terms of the inspections that are done, what sort of percentage of those would result in something like a “critical” finding? How often would this happen?

Mr. Imi Waljee: It all depends on the organization and what we find within the organization. It’s very difficult to have a percentage, because we don’t measure percentages. We don’t really measure how often it occurs.

Ms. Helena Jaczek: You don’t measure that?

Mr. Imi Waljee: No.

Ms. Helena Jaczek: I see. I find that strange. You’d think you’d want to have a sense overall of how often these things would occur. You’re not able to make any comment?

Mr. Imi Waljee: We have a system—again, it’s a work in progress—where we do look at the types of findings because, when we talk about the risk profiling of an enterprise and we talk about coming up with a risk indicator level and number, we look at the types of findings that enterprise had received from our inspections. We take that into consideration when we are saying, “Okay, they had a lot of “major” findings or “critical” findings.” It is at that stage when we are taking this into account and consideration, when we are doing the risk profiling.

Ms. Helena Jaczek: Is there any trend in Canada, in terms of people moving to riskier and riskier profiles? Or, is it in the reverse? Do we have a sense of what’s happening out there?

Mr. Imi Waljee: One of the things I talked about was that, when we do use our risk methodology system, it is more along seeing a change occurring within the organization. When a company has a change in key personnel—for example, they get a new chief pilot, or they get a new person responsible for maintenance—that is a change that has occurred in the organization. Sometimes a change can be for the better or for the worse, but we don’t know, so we say that a change has occurred, and then we see what number gets generated from our risk profile, which might change the frequency as to when we are going to go back and inspect the company.

Ms. Helena Jaczek: Yes, I understand the process. I’m just surprised that we don’t have an overview sense by Transport Canada as to, with all these changes, is there more and more risk occurring? One would hope, with companies being educated and obviously, presumably, with the best interests of their passengers and crew at stake, that we would be seeing system-wide lessening of risk. Any comment?

Mr. Yves Lemieux: One of the changes you’re talking about, the change in the model that we use from an oversight and surveillance point of view—the reason for this change is that the most critical aspect of air operations is that we’re not there all the time. Therefore, the change is that we want the company to have in place systems and processes that will ensure internal monitoring of their performance and take action when they uncover something, because we’re not there all the time. The accountable executive is responsible, when we issue an operating certificate, to comply with all the regular requirements, so that accountable executive must have in place a self-audit and internal audit capability to monitor their operation. When we uncover non-compliance, it is clear that the system has some deficiencies, and we expect the accountable executive or his company’s organization to actually correct and change the process to make sure that there are no gaps in their monitoring and in their performance. It’s not self-regulation. It’s just that because we’re not there all the time, we want them to have in place procedures that will assess their performance and correct things before we get there to uncover it.

Ms. Helena Jaczek: So how do you feel when they tell you that they have an Argus platinum rating? Does

that have any impact on the way that you look at their self-audit systems? Does that reassure you if they tell you that they have achieved that through this third party, Argus?

Mr. Yves Lemieux: If, they can demonstrate that it is effective, and when we look and when we sample—all the sampling that we do—and we determine that things are compliant, then we have a level of comfort. That's when the risk profile of the company may be modified; maybe from a three-year cycle they go on a four-year cycle.

Ms. Helena Jaczek: Has Transport Canada ever assessed the Argus audit system?

Mr. Imi Waljee: I haven't heard of it.

Ms. Helena Jaczek: You're not familiar with that?

Mr. Imi Waljee: No.

Mr. Yves Lemieux: No.

Ms. Helena Jaczek: No. Okay. It was quoted to us by many of the air carriers, that they use this as a way of, I guess, self-auditing.

Mr. Yves Lemieux: If when we go in, we don't uncover anything, whomever is doing the auditing is effective, whether it's internal to the company or it's a third party or it's an independent individual and all that. That's what we're satisfied with: when we look at the company, that they are compliant.

Ms. Helena Jaczek: So they may have used that mechanism, but as long as you see what you require—

Mr. Yves Lemieux: The end result, okay—when we do sampling and we see that everything is in place and, more importantly, the company can explain to us how they are monitoring, how they are assessing. They have internal audit reports, for example, every six months, eight months, whatever it is, and all that. This can be used as well for us in the documentation of the company to look into specific areas, particular areas, because we have some concern.

Ms. Helena Jaczek: Okay, I see. So it's used by the company to help themselves to meet your standards, essentially.

Mr. Yves Lemieux: That's right.

Ms. Helena Jaczek: Okay. I think I'm clear.

Now maybe we could just turn to your relationship with the current people at Ornge. In fact, Rob Giguere is the appropriate operations manager or individual that you relate to. Can you comment on how often there is contact? Is it something where you, as Transport Canada, have had a positive relationship? We've heard that they suspended voluntarily at the point of your PVI etc. Can you make any comment related to how this is working between Ornge and Transport Canada?

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Mr. Imi Waljee: Rob is the accountable executive, which is at a very high level, right? Like you've mentioned, the accountable executive has to ensure that the company remains in regulatory compliance. So when we have a discussion with the accountable executive of any enterprise, it is when we want to stress the importance of meeting the regulatory requirements, and our relationship

with Rob has been very positive. We haven't had any issues at all with communicating with him.

Ms. Helena Jaczek: And you're confident he has the issue of aviation safety first and foremost in your dealings with him?

Mr. Imi Waljee: All the discussions I've had with him so far do show that positiveness.

Ms. Helena Jaczek: I understand that you've been working with Ornge on the new AW139 aircraft interiors. Have your inspectors been part of that process?

Mr. Yves Lemieux: Our engineers have.

Mr. Imi Waljee: Yes, the engineers.

Ms. Helena Jaczek: Your engineers, yes?

Mr. Yves Lemieux: For the modifications.

Ms. Helena Jaczek: Are you aware of how that progress—we know there was an interim solution moving towards a permanent one. Do you have any updates for us on that?

Mr. Yves Lemieux: No, honestly. I can get back to you if you wish.

Ms. Helena Jaczek: Yes. We have been a little concerned. It's obviously one of these issues that there's a stopgap solution at the moment, and we want to be assured that we're moving to something more permanent.

You've mentioned that if you receive intelligence from either an anonymous or a source who wishes to have a report back—are you aware of any intelligence reports that you've received concerning Ornge, say, in 2013?

Mr. Yves Lemieux: I don't believe that I have information now.

Ms. Helena Jaczek: Okay.

Mr. Yves Lemieux: We hear a lot of—we read the paper like everybody else.

Ms. Helena Jaczek: I meant to your line; say, a pilot who's concerned, or some sort of intelligence that things are not good in relation to Ornge aviation at the moment. Mr. Klees gets lots of phone calls, I understand, but do you?

Mr. Imi Waljee: Currently, right now, I would say no. We haven't received anything over the last little while. There were some emails before with inspectors after the incident that occurred in May.

Ms. Helena Jaczek: Yes.

Mr. Imi Waljee: But after that, recently we have received nothing that I'm aware of.

Ms. Helena Jaczek: That you're aware of.

Mr. Imi Waljee: Yes.

Ms. Helena Jaczek: Okay, so it's not like you're getting lots of complaints or concerns related to the aviation safety at Ornge.

Mr. Imi Waljee: Not recently, no.

Ms. Helena Jaczek: Okay, thank you.

I guess we've also been rather intrigued by the installation of this traffic alert and collision avoidance system, TCAS, and also there's the other one, the terrain awareness warning system, TAWS, on aircraft. What's the position of Transport Canada in terms of the need for the installation of these two systems?

Mr. Yves Lemieux: I would have to look at what the status is, and the requirement. I think it's voluntary. I understand the company decided to install the equipment on board, but I don't know at what stage it is—

Ms. Helena Jaczek: So it's not a requirement by Transport Canada to have this equipment.

Mr. Yves Lemieux: That is correct.

Ms. Helena Jaczek: Do you have any plans to require installation of these two systems?

Mr. Yves Lemieux: We would have to—

Mr. Imi Waljee: We would have to check the regulations to see to whom it applies.

Mr. Yves Lemieux: Yes.

Mr. Imi Waljee: Because the regulations apply only to specific types of aircraft in operation where it is mandatory. The other ones are voluntary; carriers can put them in there.

Ms. Helena Jaczek: So as far as you know, if Ornge is starting to require the installation, that's a voluntary upgrade.

Mr. Yves Lemieux: Yes.

Ms. Helena Jaczek: Okay; thank you.

Maybe we could have some clarification on what the plan is for Transport Canada going forward, if there is any change, and who exactly this is mandatory for.

Mr. Imi Waljee: Sure. We can get back to you on that.

Ms. Helena Jaczek: Okay. That would be useful.

The Chair (Mr. Norm Miller): You're pretty much out of time, although the NDP had six minutes left. Do you want to split that?

Mr. Jagmeet Singh: Yes; two, two and two.

Ms. Helena Jaczek: Two, two, two.

The Chair (Mr. Norm Miller): So you have another three minutes, then, if you want.

Mr. Imi Waljee: Actually, Mr. Chair, if you don't mind, something just came to my mind. I would like to respond to Mr. Frank Klees when he talked about the SMS on the carrier. It'll take me about two minutes to explain.

The Chair (Mr. Norm Miller): Is that fine, Ms. Jaczek? Mr. Klees?

Mr. Frank Klees: Yes, that's fine.

The Chair (Mr. Norm Miller): Go ahead. Yes.

Mr. Imi Waljee: There is another process we have for voluntary implementation of SMS for companies where the SMS rule does not apply. What we're calling it is SMS in transition. What happens is, for carriers like the 703s and 704s that want to transition to SMS in preparation for the rule coming down, we have staff instruction which provides them with the methodology to be considered as SMS in transition. The carrier that you're mentioning might be an SMS-in-transition carrier, but it's not a full-blown SMS; it's just a small version of a few elements of the SMS.

Mr. Frank Klees: Thank you very much. Can I take my two minutes?

The Chair (Mr. Norm Miller): Go ahead.

Mr. Frank Klees: Just to follow up on the TAWS system: You are getting back to us, but information that I have is that, particularly with regard to the helicopters that are being used by Ornge—the Sikorskys, for example—it is a Transport Canada requirement that if you don't have TAWS, you're not allowed to fly. You leave the impression that it's voluntary, that it's an option. So I have conflicting information. If you would get back to us on that, we'd appreciate it.

Mr. Imi Waljee: Yes, we will. The rule will tell us what type of aircraft and operation requires TAWS, and we'll get back to you, because we don't have it.

Mr. Frank Klees: Okay. Thank you very much.

The Chair (Mr. Norm Miller): Anything else?

Mr. Frank Klees: No, I think that's fine. I want to thank you again for being here. As I say, I think you've left us with good information. Of major concern to me, quite frankly, are what I see as the gaps in the oversight system. We'll have time to deal with that at some point along the way. I'm sure you're doing the best that you can, but I do think that we have a problem. We have an issue here that is of a broader policy nature that isn't for you to fix. But it's certainly my intention to be in touch with our colleagues at the federal level to raise some questions about how this SMS system is working and some things that I believe can be done to tighten up the oversight of our air transportation system.

The Chair (Mr. Norm Miller): Thank you. Ms. Jaczek, do you have—

Ms. Helena Jaczek: Just simply, I wanted to say thank you again for helping us out here. Just to confirm one last time—my colleague from Thunder Bay was obviously anxious about it—but at this point in time, to the best of your knowledge, Ornge's air operations are safe?

Mr. Imi Waljee: They currently hold an air operating certificate. As far as the companies holding that certificate, they are meeting our regulatory requirements.

Ms. Helena Jaczek: Thank you.

The Chair (Mr. Norm Miller): Thank you for coming before the committee today. It's very much appreciated. We'll recess until this afternoon.

The committee recessed from 1018 to 1234.

MR. TED RABICKI

The Chair (Mr. Norm Miller): I'd like to call the committee to order and welcome Mr. Ted Rabicki to the committee this afternoon. You have up to 10 minutes to make your presentation. Just to confirm: You received the letter for a witness coming before the committee?

Mr. Ted Rabicki: I did, yes.

The Chair (Mr. Norm Miller): You can either swear an oath or—

The Clerk of the Committee (Mr. William Short): Yes, he's going to swear the oath.

The Chair (Mr. Norm Miller): Okay. We'll have the Clerk swear an oath.

The Clerk of the Committee (Mr. William Short): Thanks, Mr. Rabicki. Do you solemnly swear that the

evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

Mr. Ted Rabicki: I do.

The Clerk of the Committee (Mr. William Short): Thank you.

The Chair (Mr. Norm Miller): Okay. Welcome, and go ahead with your presentation.

Mr. Ted Rabicki: Thank you. Good afternoon, Mr. Chairman and ladies and gentlemen of this public accounts committee. My name is Ted Rabicki and I am a former employee of Ornge. I resigned in August and left Ornge of my own accord in September of this year after almost eight years with the company.

The air ambulance experience was my first public sector work experience, and the decision to leave was a very difficult one for me. I wonder at times how this job has inspired me and reflect if there is a linkage to other aspects of public service.

You see, over the last few years, I've joined two fire departments, one on a volunteer basis and the other as a part-time employee. I am proud to serve when I am able. I've spent the majority of my 28-year career in the private sector, mostly in the technical telecommunications base of industries, and have held many positions, from front-line management to executive roles. I worked at small entrepreneurial companies, did some consulting, and led large teams at multi-billion dollar corporations. I'm a professional engineer. I have a dual degree in engineering and business, and I paid for that myself.

My career at Ontario Air Ambulance Services Co. started in a technical consulting role around the time that the Ministry of Health decided to outsource the management of the air ambulance service. It was early 2006. I was charged with ensuring the migration of all communications infrastructure: telephones, radios, recording systems and base communications infrastructure. I had to ensure that the cutover of the lines and the data circuits flowed seamlessly from the Ministry of Health to the Ontario Air Ambulance Services Co. I participated in this three times: once with the Ministry of Health to the OAA when they outsourced, and then followed that with two moves of the communications centre.

Shortly after that, I was asked to lead a team to develop a replacement system for the two systems that the Ministry of Health had been using for medical information capture and transport management—loosely, a dispatch system. At the time, the dispatch and medical information systems were running on legacy computer platforms that dated back to 1998. There was no source code available, and there was a hefty maintenance fee. I believe it was in the order of \$17,500 per month in IT charges to support this system with an outsource vendor. The replacement system was rapidly engineered, working closely with the communications personnel and with our vendor at the time, Dapasoft. We went live in May 2007 at a cost of some \$130,000. This received mention in the 2012 Auditor General's report, and the system was still functioning when I left—although I understand a replace-

ment computer-aided dispatch system is close to deployment.

In the same time frame, an RFI was launched to the standing agreement carriers since management was contemplating overhauling the Ministry of Health contract structure. Ontario Air Ambulance Services Co. renewed the standard MOH SA contract at least twice, to my recollection, using their format.

Some key changes that came from the consultation with the SAs was a switch from the Ministry of Health payment model for work based on miles flown to a payment structure based on hours flown and productivity per hour. The notion was to simplify billing and more closely parallel the aviation industry, which has many costs driven on an hourly basis. Fuel management improvement would be an outcome, too. At the same time, a position was taken to raise the safety standard and eliminate piston-powered aircraft from the fleet. With that position came the acknowledgement that the carriers would need to modernize their fleet to pressurized turboprop aircraft. Discussions ensued, and many carriers would need to invest if they were to continue to participate in this market. Out of this was born the first multi-year RFP contract structure and the notion of a guaranteed book of business to support their investment. With some tweaking, that contract structure remains intact today.

It was a very busy time, and I recall many initiatives in play. Thunder Bay was piloting a PCI clinic—percutaneous intervention, I believe—and we had to arrange standby capacity to support this. The pilot was a success, which ultimately led to the third dedicated base of fixed-wing operation in Thunder Bay. Prior to this, there was a dedicated contract in place to service the Sioux Lookout and Timmins bases. The contract was with Voyageur Airways, and I believe they serviced that from the late 1980s up until the late 2000s.

The challenges with staffing the bases and possibly some other motives led to the investigation of the formation of Ornge Air. While the SA markets claim Ornge Air took business away, I believe there is some truth to that, to the extent that the flying relates to the advanced care business and possibly some primary care flying. But I believe this dynamic comes with balancing a fixed and a variable cost environment and maximizing asset utilization.

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I remember some discussion about putting the request for a new dedicated player to the market, but the decision was made to insource based on costs and control. Many other initiatives were under way. I developed a new, simplified framework for organ transports, a process that is in place today and is both more competitive and simpler than the previous Ministry of Health model.

I assisted in any area I could, including the development of financial models for the helicopter acquisition; supporting the development of the superbase concept; designing alternatives for communication systems for the Ornge fleet; RFPs for fuel farms; and was primed for base modifications for the arrival of the new helicopters;

jet evaluations for the international business; and any other spontaneous task that was triaged to my desk.

After the previous SA liaison left, I more formally assumed responsibilities. Over the last couple of years, in addition to this function, I was asked to oversee and assist with the improvement of parts, materials and equipment flow to support the Ornge fleet.

In the end, the persistent courting of the private sector won my decision, and I have moved on to a different environment of clarity, accountability and performance awareness. Today, as I reflect on my time at Ornge, I would have to say that it has been most interesting.

The core work that is done by the employees and the vendors that deliver the medical transport service in the air and on the ground has a very positive and profound impact on the patients they touch. I've seen it both on and off the job. The professionalism, confidence and courage are inspiring. We must not lose sight of that. There are many passionate employees at Ornge, passionate about the right things. That passion needs to be harnessed and channelled, for if misappropriated or left unattended—well, we know the outcome.

I believe the core management team at Ornge today, with Andy—and yes, that's how we address him—he is on the right track. He is a genuine human being. He has a plan. He has engaged the stakeholders and is looking at the right things, as far as I'm concerned. He and his team, along with the board, need to balance the seemingly opposed forces of medical care and cost. We all need to give him and Ornge the room to move, to breathe, and let him and his team run the company with the right level of support, the right level of oversight and the right performance agreement, and minimize the distractions and sensationalism. Sensationalism breeds paranoia and political fear that cripple management, or it leads to some form of analysis paralysis. It is time to move on.

Thank you for listening, and I look forward to helping you in any way that I can.

The Chair (Mr. Norm Miller): Thank you for those opening remarks.

We'll go to the NDP to begin with, and you have 20 minutes, Ms. Forster.

Ms. Cindy Forster: Thanks so much. Thank you, Mr. Rabicki, for being here today. I understand you've been here before?

Mr. Ted Rabicki: Never.

Ms. Cindy Forster: Oh, you've never been here before? This is the first time.

Mr. Ted Rabicki: No. This is the first time.

Ms. Cindy Forster: All right. You've told us a little bit about your position at Ornge. How long did you actually work there?

Mr. Ted Rabicki: I worked there as a consultant from around the 2006 time frame, and in July 2009, I was hired as a full-time employee.

Ms. Cindy Forster: Can you explain to the committee why you left Ornge?

Mr. Ted Rabicki: I would have to say that it was for personal reasons. I was approached to work at a private

sector company, and when the position and the offer came—and what the job brought to the table—and I looked at my future at Ornge, the private sector won, regrettably.

Ms. Cindy Forster: You talked in the final moments of your presentation about the core work of employees and vendors and the great impact that they actually have on patient care in this province, and the need for that passion to be harnessed—or unharnessed, I guess; unharnessed. Did you observe during your time there that employees' suggestions, recommendations weren't listened to, that the management team wasn't seeking advice or input from front-line employees?

Mr. Ted Rabicki: Yes. To varying degrees under the different management regimes, absolutely. It was a different culture with Dr. Mazza there. I vividly remember a town hall conference call where one of the paramedics suggested that they be supplied with the equivalent of construction gloves that they could wear at a scene—lots of sharp objects; broken glass, if it's a roadside accident—and the response was, "You're in the middle of a collective bargaining discussion. If you want something, pursue it that way." To me, that was a no-brainer, for the cost that's involved and the intrinsic benefit that comes with it.

Under current management, I believe they have proactively gone out and asked the employees what needs to change, and that information has been supplied. They're distilling it, I know, as we speak, with input from the stakeholders, with input from the board and with the rest of the participants that play in this system, to give the best effort that they have to make it right.

Ms. Cindy Forster: Whom did you actually report to at Ornge?

Mr. Ted Rabicki: I reported to Jim Feeley, most recently. He's the vice-president of aviation operations for the Ornge fleet. Prior to that, it was Rick Potter.

Ms. Cindy Forster: Do you know who replaced you once you left Ornge?

Mr. Ted Rabicki: My role was split in two, as I understand. The SA liaison part of it went to a fellow by the name of Ainsley Boodoosingh, and the parts management piece went to John Mokos.

Ms. Cindy Forster: When you started out there as a full-time employee, it sounded in your presentation like you had one role, but when somebody left, you also assumed parts of that second role.

Mr. Ted Rabicki: No. At the time—it was a couple of years ago—Jim Feeley, my boss, came and said, "We need some help internally to navigate the procurement process, to keep parts flowing in a timely manner. We have personnel that are charged with buying parts and getting them into the hands of the maintenance personnel to repair the aircraft, but, quite frankly, the burden of navigating through the public process requires a lot of resources facing inward." I tried to assist with getting the right approvals in place and the right context around what we were doing so that we would not have a service impact because of parts being delayed getting to the field.

Ms. Cindy Forster: Okay. In previous committee meetings, your name has come up a couple of times. The first was with Bob Mackie of Thunder Airlines, who said that you had been very helpful in resolving conflict-of-interest situations when it came to dispatching. Can you expand a little bit on that and your relationships?

Mr. Ted Rabicki: Yes. I believe, for the record, that I had a good relationship with the standing agreement carriers. Over the years, we grew from a very formal structure to an informal type of relationship. I don't believe any of them had an issue communicating with me—a concern. I used to get many “rumour” phone calls. I would almost call it a self-policing effect. They all watched each other. It is a very competitive environment.

Bob Mackie made me aware that his flying dynamic had changed, so I investigated and discovered that there was an Ornge employee who was working for a competitor to Thunder Airlines. Ornge has in place dispatch algorithms that are to be followed to maintain the integrity of the business model when sending aircraft on a mission for patient movement. It appeared that those algorithms weren't being followed, so I brought it to the attention of senior management that there may be a conflict there, and I brought it to the attention of the director in the Ornge Communications Centre. It was resolved. My understanding was that that employee had to make a choice to either continue to work at Ornge exclusively or resign. That's what I understood had happened.

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There was a code of ethics conflict-of-interest process, or protocol, put into play. We all had to sign it and declare any perceived conflicts—questionable conflicts—that would, in simple terms, impact our ability to execute our duties as Ornge employees.

It wasn't anything dark and ominous in some cases. For me, personally, for example, I had to declare that I fight fires when I'm not at Ornge, and there was—my role is probably a little more benign, as someone who works at a desk, than a front-line employee who has to be on their A-game at all times.

So I think, in the spirit of that, they wanted to understand, to the extent that human rights would let them, what Ornge employees were doing when they weren't working at Ornge. And the OCC personnel—Ornge Communications Centre personnel—every employee had to declare their conflicts.

Ms. Cindy Forster: So they weren't actually able to work for more than one employer.

Mr. Ted Rabicki: I don't believe Ornge would limit their ability to work for one employer, but they had to declare if they did. Then it was up to senior management to decide if that was tolerable or not.

We've heard, and I've reviewed the tapes from previous sessions where the SA carriers will openly say—and I will confirm that—that there are Ornge medics who work on their days off at the standing agreement carrier operations. In fact, many paramedics work in other jurisdictions, so we'll have paramedic and some management

work as management for land-based systems in the province.

Ms. Cindy Forster: Okay. The second time your name came up was during Rick Horwath's Air Bravo testimony that said you were part of the team at Ornge that had tried to convince carriers to lower their bills. Can you talk a bit about that?

Mr. Ted Rabicki: Absolutely. The RFP—and it is an RFP. I noticed in some of the discussions it was presented as a tender, and, while not being a procurement expert, I understand there are different constraints and conditions around a tender process than an RFP. Our RFP stated in black-and-white terms that we reserved the right to negotiate, and we did.

Of course we negotiated with Mr. Horwath. His initial bid submission on pricing was 60% higher than what the current market rates were. So I think he read the clause that we would negotiate—and I don't feel it's unreasonable behaviour. Any competitive business person who's fighting for their slice of the pie would do that. History had it that we would negotiate. Previous RFPs have that negotiation provision in there, and we took advantage of that to get value for the patients and the taxpayers in the province.

Ms. Cindy Forster: So were those bids high because there were enough players in the sector?

Mr. Ted Rabicki: No. I can categorically say that some players didn't change their pricing at all. They came in flat. We welcomed that. Others wanted to take an attempt at the negotiation process.

Ms. Cindy Forster: Okay. You talked a bit about being kind of proud of a multi-year RFP that you were able to get going, and it was around the area of IT. Was it in the IT area?

Mr. Ted Rabicki: No. The IT work—I'm proud of that, too. It was a very good example of real-time prototyping and design from a software perspective and putting that into play, because there were time constraints.

The infrastructure that was inherited was shaky. I think it was at the end of its useful life, and so there was concern, in simple terms, that if that system went down, there wasn't a graceful way to restore it. So it was a priority to quickly get into play the system that currently—well, it was in play when I was there. We did it with our vendor, with what we now call OCC personnel at the table. “We want it to look like this, feel like this.” Models were built, and they were accepted and put into play. It was very efficient and quick.

Did we get it 100% right? I think everyone has an opinion on what it should look like. Change is difficult on people. The legacy users liked the old green screen technology. The newer users embraced it. Can it be improved? Absolutely. Any system can, absolutely.

Ms. Cindy Forster: So it wasn't really about saving money at that point. It was really about making sure that you had a system in place that was modern and could do the job.

Mr. Ted Rabicki: The driving force there was stability. There was real concern that if that system went

down—paralysis may be an extreme dynamic—you can work on paper, but it's clumsy and inefficient. So, yes, there needs to be a system; there needed to be a system.

Ms. Cindy Forster: Were you at Ornge before Dr. Mazza started?

Mr. Ted Rabicki: No.

Ms. Cindy Forster: No, it was only after. Can you talk about whether your time at Ornge, under that management model, was a positive experience or a negative experience? Can you expand on that a little bit?

Mr. Ted Rabicki: I think overall, if I was going to grade it, I would say it was positive. As I mentioned in my opening remarks, it was my first experience in the public sector. There was a lot of stuff going on. There were a lot of things happening. We were witnessing the branding, which, quite frankly, to this day still somewhat confuses me.

Watching Dr. Mazza move and how quick—I think at the onset, the quick movements and the agenda were the right ones, and then it became too visionary. I believe he became bored with Ontario, and that's why this whole international—well, there are other factors on the international. But the mandate was, according to Chris, that the government told him to cut costs, generate efficiencies and find new sources of revenue. I think the first two were boring work, so he got on the international side of it and I think it became almost exclusive at the end, where all the energy at the end—the end of his career there—was poured into getting that online.

Ms. Cindy Forster: Did you have any direct contact with the Ministry of Health during your period of time there?

Mr. Ted Rabicki: I did. In the early stages, when we were looking at infrastructure, I met some of the Ministry of Health personnel, more from what I think is called the GMCO, the government mobile communications office, when we were looking at the infrastructure and how we could best use it—at one point we were exploring expanding the radio footprint for the aircraft—and then to the extent that ministry personnel came in at the end, when the investigation started. But outside of that, I know a few of the guys—have made some calls with them: Rob Nishman, Rick Smiles and those folks.

Ms. Cindy Forster: What were your relationships like with the ministry?

Mr. Ted Rabicki: Good, good. It was open. I know they were watching. When we post RFPs and tenders, you can see who has downloaded them. Nishman's name was always on the list. Yes, I think we had a good relationship at the working level with the ministry.

Ms. Cindy Forster: How much time do I have left?

The Chair (Mr. Norm Miller): You have three minutes.

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Ms. Cindy Forster: Okay. I'll save it if I can.

The Chair (Mr. Norm Miller): Okay; very good. Ms. Jaczek.

Ms. Helena Jaczek: Thank you, Chair, and thank you, Mr. Rabicki, for coming. As you know, the reason you

are here is because your name came up during the time when we had the standing agreement carriers in front of us. There were certain allegations made. I think maybe I'll just start with that in relation to the comments of Mr. Horwath from Air Bravo.

From your perspective, your process was the same as it had always been on this particular occasion of looking at the contract? From what I heard you say, you saw a price increase, essentially, when you opened the envelope and looked at the proposal that they had. Through the years, previously, if you saw something like that you would make a phone call and start asking for reasons. Could you just explain or lead us through what that conversation, from your perspective, with Mr. Horwath was all about?

Mr. Ted Rabicki: Yes. Perhaps the best way to answer that is to sort of walk through the evolution of the contract. From the ministry vintage—2006 in the first two times—Ornge or Ontario Air Ambulance renewed it on an annual—it was an annual contract, and it was put out for tender. The way the pricing worked was, "Come back and give us a price per mile." There were no guarantees. There was, "If we call you, we want to know what you're going to charge us."

So, philosophically, when you look at that and you say, "Well, (a), there's no bargaining chip on this end; you have nothing to negotiate; and (b), given the different mission profiles that aircraft can fly, you are layering a whole amount of risk into that price point, because that's one-price-fits-all, and that's not necessarily appropriate"—out of that grew this pricing structure that is based on an hourly basis. When we introduced that, we had every carrier in—and I think they referred to that—to meet and make sure they understood what that change meant to them and to make sure that they got that change correct. We supplied them with data. We compared with their data to look at, "How fast does your airplane fly; how much distance can it cover; and how would that translate into an hourly rate?" so that they understood the morphing from cost-per-mile to cost-per-hour.

It was very intensive in terms of the discussions. We had them in several times. I think one of the carriers mentioned the participants. I was at the table. Fred Rusk was at the table. There was a procurement fellow by the name of Conrad Caia; he was at the table. We wanted to make sure that we got it right and they understood the changes to this pricing structure. There were some inherent issues with the cost-per-mile tariff, if I can call it that.

Ms. Helena Jaczek: And just to make sure that we've got it clear time-wise—

Mr. Ted Rabicki: Yes.

Ms. Helena Jaczek: This was before Ornge obtained its own aircraft?

Mr. Ted Rabicki: Correct, yes. This was the first version of this cost-per-hour contract which was signed in 2008, yes.

Ms. Helena Jaczek: Okay, yes.

Mr. Ted Rabicki: Yes, so that is correct.

Ms. Helena Jaczek: Because we did hear from some of the carriers that, I believe, at that meeting they felt

threatened, or it was—could you just characterize what—you have, to a certain extent, but you perhaps have read some of the accusations. Could you tell us your side?

Mr. Ted Rabicki: Sure. Let me say for the record that I'm not an aviator. I think I was the only employee in Ornge aviation, notwithstanding some of our support people, who was not an aviator. I'm not a pilot. I'm not an aviation maintenance engineer. I was the black sheep in the conscience. That was an interesting dynamic to my role. One thing that I can say, as—what I'll self-label—a layperson, is that the aviation industry is regulated, clearly, and Transport Canada, as the governing body, ensures that a standard is maintained in the field. When you look at how you are supposed to fly an airplane, there's no Cadbury secret there. You fly according to the rules. So I think if there are allegations of stealing trade secrets, I'm not sure there are any trade secrets when it comes to flying. I think plagiarism is acceptable, if that's not a hostile type of term, because Transport will look at it and say, "Yes, we understand these operating procedures. We understand this company operations manual. We've seen stuff like this before and we've accepted it before." That acceptance and commitment to that standard is the most graceful way to get your licence and get into business. There's no valid reason that you would reinvent the wheel and start with a blank piece of paper and try and do that.

In fact, the individual who was priming the very first version of the Ornge Air operations manuals and operating procedures was a fellow by the name of Rick Korswagen—I believe he's overseas now—and he was former vice-president of aviation operations at Voyageur Airways.

Did we hire some pilots from our carriers? Absolutely. Does WestJet hire some Ornge pilots? Absolutely. That's the way the industry works. You start, in an extreme sense, as a bush pilot and you work your way up the experience chain. And the motivated, aggressive, career-oriented pilots? They want to be across the road at Pearson flying the big, heavy metal.

Ms. Helena Jaczek: And when they move to the new organization, the knowledge that they have, obviously, is transferred with them.

Mr. Ted Rabicki: Absolutely. The Pilatus aircraft that Ornge flies—albeit a newer generation and it has different front end—there's value in that experience. So why not? That makes sense.

Ms. Helena Jaczek: In your role as director of aviation contracts, you never saw anything untoward? You weren't receiving any pressure to somehow negotiate contracts in a way that you felt was not businesslike or was inappropriate?

Mr. Ted Rabicki: No, absolutely not.

Ms. Helena Jaczek: Because there was some allegation, again from Mr. Horwath, that implicated Dr. McCallum definitely in some negative context around the negotiation of price.

Mr. Ted Rabicki: No. Why price is important—as I mentioned before in the previous model, cost per mile—

there's no lever. So I sit across the table and I say to the carrier, "Well, is that your best price per mile?" And they say, "Yes, take it or leave it."

The neat thing is, in marketing 101, you have a guarantee purse that is valued because it helps them plan their business; it helps them finance their business. And now we have a viable negotiating platform that we can discuss. In simple economic theory, volume discounts are what we're looking for.

We used the levers that we had to say, "We have a pool of guarantee hours. Clearly, philosophically, fundamentally, the more we give you from a guarantee, the better price performance we expect." I don't see anything untoward there.

We wanted to make sure that they understood, because the way the dispatch algorithm works, once a patient need is identified and there's a requirement to marry that to an aircraft, a list of suitable equipment is produced. Once it's suitable, it meets the criteria, medically, to move that patient. Then we switch to the value equation and what is the most cost-effective way to move that patient. So the more aggressive your price, the more efficient your aircraft, the higher you're going to be on that list. It starts at the top and the first machine goes out. That's how it works.

Ms. Helena Jaczek: Exactly. You were there before Ornge acquired its own aircraft and subsequent.

Mr. Ted Rabicki: Yes.

Ms. Helena Jaczek: Again, from the standing agreement carriers we heard, they were very resentful, obviously—naturally, if it cut into their business—that Ornge was taking this step. Once Ornge had acquired their own aircraft, the standing agreement carriers were also concerned that they were being pushed off into just primary care, inter-facility transports with minimal risk, and they were losing the other part of the business requiring advanced care and so on. But this has puzzled me, because the vast majority of the transports are for inter-facility low-risk transportation, in essence. So help me, if you can, understand how—they were presumably no longer doing on-scene transfers. Actually, is that correct?

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Mr. Ted Rabicki: I would struggle to have a standing agreement carrier do a scene call. Scene calls are events that happen not at an airport—a trauma, a hunting accident, a traffic collision. Thus far, for the most part, the majority of that domain resides with the rotary-wing aircraft.

Ms. Helena Jaczek: Presumably—obviously, before Ornge had their own aircraft—Canadian Helicopters did attend at scenes.

Mr. Ted Rabicki: Yes.

Ms. Helena Jaczek: In this whole move to obtain their own aircraft, was there some thought that this was an emergency public service that required in-house capacity? Was that part of the motivation?

Mr. Ted Rabicki: Yes. I think the best way to characterize the business is, it's Ontario Air Ambulance, or Ornge, and everyone thinks in a 911 type of mindset—

but there really isn't. The business has two dynamics. It has that—in the field, it's called a code 4—immediate threat to life and limb that needs to be actioned now. That happens on scene calls, and that happens in inter-facility transfers where a nursing station or a hospital that has a lower capability than a trauma centre or a specialty centre—a patient starts going sideways, if you will. That patient needs to be moved immediately, urgently, to a higher level of care.

Those are the high-risk environments. Those are the environments where, intuitively, you want to make sure your resources are available. Those are the environments where a dedicated model where they do nothing but service that comes into play.

It becomes risky, from my perspective, if you put that in the hands of a charter operator. They've all sat here and said that some of them are exclusive, some of them aren't. But even the exclusive ones aren't available 24/7, necessarily. So there's a risk mitigation that needs to be considered.

Ms. Helena Jaczek: In other words, the model that we have now, where Ornge does operate their own capacity and is essentially doing the on-scene exclusively, is a fail-safe for the system. Because again, we heard accusations of overcapacity in the Ornge side of the—

Mr. Ted Rabicki: Admittedly, today, absolutely there's overcapacity. Roll the clocks back and you normalize and you say, on a dedicated basis, when Voyageur was in service, they had four King Air 200s servicing the dedicated fixed-wing portion of the business. There was a pair in Sioux Lookout and a pair in Timmins. Then as I mentioned, with the PCI success in Thunder Bay, it made sense to invest. So we went to a model where arguably six aircraft, using that Voyageur philosophy, would be adequate.

I think many people sat here, many SA carriers—and I will support that philosophy. Why 10 aircraft were purchased—there were no valid business reasons, there was no long-term strategy to use those aircraft, aside from perhaps a peripheral notion that maybe on the international side or something. I've heard, and it was swirled around the organization, that there was 25% unserved demand in terms of patient movements, and that's what that capacity was there for. But it's hard to grasp what doesn't happen or what's not there.

Ms. Helena Jaczek: In your time over the last couple of years with Ornge actually having the capacity that it did, did you make any recommendations to senior management as to what kind of mix you saw would be ideal or right to cover the 20,000 or so transfers in Ontario?

Mr. Ted Rabicki: Yes, in the sense that I think management knows—and I understand Andy is coming. I would be surprised if he sat here and said, "No, we got it right. That's the right number of machines." They know it's not the right number of machines, and I know they're looking at it.

They're looking at the key elements of the business, elements like mission profile—so what should a helicopter be used for? Base locations, the type of resources that

are in play, because the aging helicopters—the Sikorskys, the S-76s—that's not a long-term play. There needs to be a decision made. What are we going to do with that, and how are we going to service those markets? What's the right machine, and what do we do with this surplus capacity?

I did bring to previous management—so this is pre-Andy McCallum, pre-Ron McKerlie—the notion of, look, if we've got these extra aircraft, let's give them to the SAs. Let them fly them. They can staff them; they can put the medics on. That's a good-news story for the province. Let's improve our asset utilization. But there was a fear of abuse, and we even took it to the point of "We'll do the maintenance on them. We'll keep them close to our bases so our personnel can keep an eye on them." No, there was no appetite for that.

Ms. Helena Jaczek: By "abuse," you mean that the standing carrier might use them for other purposes?

Mr. Ted Rabicki: Yes, or fly them the wrong way—

Ms. Helena Jaczek: Fishing or—

Mr. Ted Rabicki: —or "drive it like it's a rental," if you will.

Ms. Helena Jaczek: Okay. So you had brought that forward to the previous regime and it wasn't listened to.

Mr. Ted Rabicki: No.

Ms. Helena Jaczek: And you're aware that this type of logical mission profile etc. is being undertaken.

Mr. Ted Rabicki: Absolutely. It is a complex business, to say the least. I know Andy has a huge task in front of him, because stakeholder effects—it's not just, "Okay, we want the machine to do this;" it's the markets that we interact with, the patients, the hospitals, the communities and the overall end-to-end process—huge, huge; absolutely huge.

Ms. Helena Jaczek: I will reserve whatever time we have left.

The Chair (Mr. Norm Miller): Very good. We'll move to the opposition. Mr. Klees.

Mr. Frank Klees: Mr. Rabicki, thanks for being here.

I'd like to just pursue the role that you were playing as the liaison with the standing offer contractors, the operators, and I want to focus on the compliance aspect of those agreements. We've seen the RFPs, the request for proposals, that went out. They're very comprehensive in terms of the standard of equipment that must be in the aircraft, everything from the width of doors, if you will—I don't have to tell you; they're extensive. Whose responsibility was it to ensure that the operators were compliant with all of the standards as set out in the request for proposal and, ultimately, in the agreement that you signed with them?

Mr. Ted Rabicki: At a large level, I would say Ornge. At an individual level, was there a compliance department specifically? No. Were there oversight departments, like a safety division that looked at irregularities in flying? Yes. Did we do random inspections contrary to what the SA carriers said? We did up until 2011. We would ramp the aircraft. So if we had safety personnel that conducted—we called them spontaneous ramp

checks. In fact, I think when this hearing started, that information was requested and provided—a copy of the ramp checks or at least a summary of what machines were ramped where. So that information is available. Did we do it? Yes. Did we fall off the right path since 2011? Possibly.

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There are formal ways of ensuring compliance—with scheduled, documented inspections—but there's a lot of informal feedback that comes. Our medics participate regularly on a lot of this equipment out there, and if they see things that are off, we hear about it—I hear about it. They complain about it. They refuse to get on the aircraft. Other carriers will note things where perhaps interpretation is being pushed to the limit, and it's investigated.

I think I understand where you're going. It's probably not as formal as it could be. I think that's an item that needs to be decided upon and examined.

Mr. Frank Klees: You've probably made yourself familiar with previous hearings—

Mr. Ted Rabicki: Yes.

Mr. Frank Klees:—and you'll know that one of the areas that I'm particularly concerned about is the area of compliance and accountability. I'm particularly concerned about what I just heard you say, and that was that, up until 2011, you felt that the compliance mechanisms were in place and that, since 2011, they've fallen off. Did I hear you correctly?

Mr. Ted Rabicki: Yes, you heard me correctly. The context around that is the element of spontaneous inspections—random ramp checks on the airplanes. I don't believe we've done that in the last couple of years. We have put in play, as I'm sure the committee has heard, the Argus audits, where an independent contractor goes and audits the operation. If there's any cause for concern—in terms of Transport Canada reporting through the CADORS system, for example, or any incident—the contract states that the carriers are to identify any unusual incidents or occurrences that happen in their operation. That gets forwarded to our safety department, and they will investigate the event.

Mr. Frank Klees: What concerns me about that is that, given the history and given the track record and the number of incidents that we've had, I would have thought that, under the new management, if there was one area where there would be a real focus, it would be on inspection, follow-up and ensuring compliance. As you say, Dr. McCallum will be here later, and certainly I will pursue that with him, because I'm disappointed in what I'm hearing. That's not your issue; that's Dr. McCallum's issue and the issue of the current executive.

If it is as you say, why would the standing agreement providers, one after the other, come forward on sworn testimony and tell us that those compliance audits were not being done—that there were not the spontaneous checks; that there weren't the fly-alongs, if you will; and that they wouldn't hear from anyone from Ornge? Why the contradictory evidence?

Mr. Ted Rabicki: Excellent question. I guess we can summons the evidence and examine it. If there is documentation that is signed off and dated that says, "I'm an individual who went out and inspected an aircraft on this date and put my hand to that piece of paper," then that's something that I think we need to investigate.

Mr. Frank Klees: So that is something that should be on file?

Mr. Ted Rabicki: I believe it is, yes. I remember, when this committee started, the vibration that went into Ornge, the amount of data that was summonsed, and I remember seeing the guys pull those reports together. They wanted the binder of ramp checks; they wanted to see.

Mr. Frank Klees: It's interesting that you mention that, because I've had some emails from some of the providers saying that, after Mr. Cox's testimony here, when we questioned him about whether or not he has the TAWS installed—and he testified that as of midnight the night of his testimony, he would probably be taken out of service because he's at the end of his 180-day grace period. Apparently, Ornge—someone by the name of Allison from Ornge made calls to all of the standing offer suppliers asking if they have TCAS and TAWS in place. That, in itself, I find somewhat disconcerting because why wouldn't Allison know whether or not an operator has this equipment functioning when in fact it was part of the agreement? What am I missing here?

Mr. Ted Rabicki: I think I would answer it this way: In my mind, oversight can be akin to overhead, and there's a cost to overhead. When a businessperson signs off on a contract and says that they rep and warrant that they will comply, there is an element of professionalism and business trust that they will deliver that. Are there loopholes? Absolutely. We mandate in the RFP that the aircraft must have an autopilot system. And in that same RFP, we say how the machine is flown is entirely up to the operator. To me, I can say, "Yes, I bought a car with cruise control on it," but no one's going to tell me when I'm driving that I have to use the cruise control.

Mr. Frank Klees: But that is a different issue, isn't it? The cruise control had better be in the car if it's part of the contract.

Mr. Ted Rabicki: Yes.

Mr. Frank Klees: And as I understand it, you required autopilot to be on the aircraft as standard equipment. That was a condition of the contract.

Mr. Ted Rabicki: Yes, as was TAWS—

Mr. Frank Klees: As was TAWS.

Mr. Ted Rabicki: Yes.

Mr. Frank Klees: And we have testimony that certainly in the case of Mr. Cox, he didn't have it. Now he testified that he was at the end of his 180 days. Fortunately, we had him in here on the 180th day.

Mr. Ted Rabicki: Yes.

Mr. Frank Klees: And we asked him the question, and I'm not sure what would have happened if he wasn't here. But here's my point: This wasn't his first contract.

Mr. Ted Rabicki: No, it wasn't.

Mr. Frank Klees: Right. So the TAWS requirement was in four previous contracts, and he was never required to comply with that. Now I'm going to be a little bit—don't take this personally.

Mr. Ted Rabicki: I won't.

Mr. Frank Klees: I'm trying to get a handle on who does what and who has responsibility for—and I agree with you that oversight is an overhead cost, but the cost of not doing the oversight is the loss of lives potentially, especially in the business we're in here, right?

Mr. Ted Rabicki: Yes.

Mr. Frank Klees: As the individual who is the liaison with the standing agreement providers, would it not have fallen to you, as the individual within Ornge, to ensure that when you sign these people to a contract and you are the liaison—at the very least one of the people within Ornge who would have had the responsibility to ensure compliance would be yourself?

Mr. Ted Rabicki: That's a pretty tall order, Mr. Klees. It's a 111-page RFP document. For one human to ensure that every criteria is met across 20 aircraft and half a dozen operators—I think that's a pretty tall order.

Mr. Frank Klees: You have a pretty impressive CV.

Mr. Ted Rabicki: I'm one human.

Mr. Frank Klees: One human being—let me suggest something to you. Maybe I'm oversimplifying. I'm not an aviator either.

Mr. Ted Rabicki: Yes.

Mr. Frank Klees: I have a spent a lot of time on this committee.

Mr. Ted Rabicki: Yes, you have.

Mr. Frank Klees: And I think I could probably craft a letter to my five standing agreement providers saying, "Here are the critical requirements that we have had of you under our agreement. I want you to sign off on this and confirm with me that this equipment is in place and functioning. By the way, I'm going to be taking a field trip for the next five days, and I'm going to visit you at your base. I expect a tour of your equipment to confirm that what you've written off in your letter here is, in fact, in place."

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I don't think that's a superhuman calling at all. I think that's a fairly straightforward expectation that I think would be respected by the people I'm doing business with. I think it would have been a great transaction for you to report to the board of directors, that this is in place. What am I missing? Why do you feel that is such a high calling?

Mr. Ted Rabicki: Well, a couple of things. I think the first part that you alluded to, a separate letter: From my perspective, there isn't a need for a separate letter. We have the contract.

Mr. Frank Klees: All right, so we save that amount of time.

Mr. Ted Rabicki: Yes.

Mr. Frank Klees: How about the site visit?

Mr. Ted Rabicki: Well, candidly, would I know TAWS if I were looking at TAWS? No.

Mr. Frank Klees: Do you have an engineer in Ornge who would?

Mr. Ted Rabicki: Absolutely.

Mr. Frank Klees: How about taking that person with you and making a two-person visit?

Mr. Ted Rabicki: Fair enough. Now, I think what I'll admit is maybe we didn't go back and retroactively look at all the machinery, but any aircraft that was added to the roster was inspected, to be compliant with the specification sheet.

Mr. Frank Klees: So you understand the concern that we hear from the operators. You have some who are bidding into a contract, who are compliant with all of the standards that you require in the agreement.

Now, they're bidding against people who haven't spent—I don't know—the \$100,000, the \$20,000, the \$80,000, whatever it is, to ensure that their equipment is compliant. Now you have a very un-level playing field, and, quite frankly, I think you have also a very different level of quality, if I can use that term, in terms of the performance indicators that you would be measuring.

I can understand why the operators out there would be very frustrated with that un-level playing field. Would you agree?

Mr. Ted Rabicki: I agree, yes.

Mr. Frank Klees: So you're gone now. Who at Ornge, in today's environment, in today's structure, should assume responsibility to ensure that level playing field and to ensure the compliance with all of those standards?

Mr. Ted Rabicki: It could be anyone. We have a safety department. They go out and do routine inspections when there's an issue. We could leverage that. We could leverage our base managers. A lot of these carriers are collocated. I guess there are options. But I'm not in a position to pick a name at this point. I'm sure, as Allison has been calling to validate, that your tactics will be effective in getting some action on this.

Mr. Frank Klees: I'll save my time. Thank you very much.

Mr. Ted Rabicki: You're welcome.

The Chair (Mr. Norm Miller): Well, we'll go to the NDP. You have three minutes left. Ms. Forster.

Ms. Cindy Forster: Thanks. I just want to follow up on what Frank actually started there about the compliance piece, because we did have Transport Canada here this morning about their oversight responsibilities. There seems now, with this line of questions, that there is a gap there of some sort.

When we're actually dealing with patients' lives—we're not dealing with picking up garbage, like waste management, or other things that we do publicly in communities—it would seem to me that there should be some more oversight, if there isn't, within that organization. How does Ornge go about actually making sure that that happens? And I heard you, that it can't be one person. One person cannot be responsible for the oversight of five or six carriers and 20,000 patients a year. But does there need to be a department or a team of people that actually takes on that responsibility?

Mr. Ted Rabicki: That could be one solution, absolutely.

I will say this, though: There's sort of three layers in play here. There's the baseline, which is the Transport Canada standard, and there's enforcement and oversight on that federally. To the extent that Argus mimics that piece, Argus goes in and looks at that. Then there's a second layer of safety, which is the MNR standards. The Ministry of Natural Resources sets the standards for operators that work on government business. That holds the flight crews to a higher level of experience—Ornge has oversight on that—to make sure that we have above-average experience flying the aircraft. Frankly, the TAWS and these extra collision-avoidance systems—the next generation would have been, I think, a WAAS system—that were planned and put on the aircraft were Rick Potter's idea. In his mind, that would raise the bar. As Paul Cox said, it's not guaranteed that it will improve safety; it's an add-on, and it may not apply in some cases. It's extra.

With all of that being said, I guess at this point, we will put that on the to-do list for the current management to make a decision on. Is it necessary? Do they support the previous management's philosophy that this is a value add in this arena? And if it is, do we want to take action to ensure that that's part of the operating model?

Ms. Cindy Forster: Thank you.

The Chair (Mr. Norm Miller): Very well. We'll go to the government. You have two minutes left.

Mr. Bill Mauro: Mr. Rabicki, thank you for being here today.

The questions that were asked were very serious questions and very important questions, those related to safety. The question I was going to ask I think you've actually just answered, but I think it's important enough that it bears repeating.

Your tender process: You've just characterized the TAWS—and if I'm misinterpreting your interpretation of it, correct me when you answer—as an add-on, not necessarily enhancing safety. Maybe it does; maybe it doesn't. Your answer seems to imply we don't really know if it does, but Mr. Potter decided to add this into the tender. So it gets added into the tender. Your tender then, when they sign off, they've already agreed to have that, notwithstanding another letter that would ask them to do the same thing that their tender has already done.

Nav Canada—and I asked the fellows this morning when they were here, the two gentlemen this morning—has the authority to ground the plane.

Mr. Ted Rabicki: Absolutely.

Mr. Bill Mauro: So your tender asks for a particular piece of safety equipment which, as I think you've just said, you don't know if it makes things any better or not, but Mr. Potter in his mind felt it did. Your tender asks for it. Nav Canada shows up. They investigate those aircraft and they know that this piece of equipment is not on the plane or the helicopter, yet Nav Canada is letting these people be airborne.

Again, as another one around the room who's not an aviator, I would assume that in the opinion of Nav Canada—their characterization of this piece of equipment would likely approximate your response, that being, “We didn't have it for the previous 100 years. We don't necessarily feel it's enhancing safety”—or certainly they don't feel that it's a requirement to make these operators fly more safely.

If I'm wrong, I want to know I'm wrong, and hopefully you'll tell me that, because if something is missing here when it comes to safety, it's important that we know about it.

Nav Canada has chosen not to ground these planes. They don't have it. I'm interested in you—

Mr. Ted Rabicki: Let me answer it this way, and I'll try to be brief. The organization that sets the standard for air operations for the province of Ontario is the Ministry of Natural Resources. It's not on their list of requisite equipment.

The Chair (Mr. Norm Miller): Very well. Thank you—and I think you meant Transport Canada there, didn't you, Bill?

Mr. Bill Mauro: Thank you, Chair.

The Chair (Mr. Norm Miller): Yes. We'll move to Mr. Klees for your last four minutes.

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Mr. Frank Klees: Four minutes?

The Chair (Mr. Norm Miller): Yes.

Mr. Frank Klees: Okay. Thank you.

I'd just like to go back to that conflict-of-interest issue with the dispatch centre that you were engaged in with Mr. Cox—Mackie; Mr. Mackie, right?

Mr. Ted Rabicki: Mr. Mackie. Correct, yes.

Mr. Frank Klees: At length, Mr. Mackie testified how his business went down. He was concerned about it, heard that there was someone who was working for—I believe it was Air Bravo—

Mr. Ted Rabicki: Correct.

Mr. Frank Klees: —and at the same time working in the dispatch centre. He brought it to your attention. You said you were going to look into it.

When you said you were going to look into it, what exactly did you do?

Mr. Ted Rabicki: The first thing I did was to validate the dispatch algorithms. It's a mathematical model to make sure that the most current information is in there. I had one of our analysts run it, in the event that it was a legitimate glitch, if you can call it that. The two systems that they use came back and validated, no: They think they were functioning properly.

So I went downstairs and said to management that there appeared to be a human intervention happening here. While I didn't have any evidence, it appeared that there was this conflict going on, and I brought it to the OCC, the director's attention, and let our senior management know as well—because the way these algorithms work, they have visibility on competitive pricing in them. I was concerned that there was an integrity threat here, that if an individual was working for a given vendor, he

branch and your staff's interaction with them so that we can be assured that they are monitoring the quality improvement plan and whatever other items you have that you discuss with them? Could you just give us an overview of what that relationship looks like?

Dr. Andrew McCallum: Certainly. Well, the structure as it's currently constituted is one where the ADM responsible for us has a director who reports to her: the director of the emergency health services branch. That person also holds the title of director of the air ambulance oversight branch. Under the director are a number of personnel who are policy advisers, who speak with my staff more than daily—several times a day. We provide a daily report. We provide statistics to them on an ongoing basis. We have a monthly meeting in which we explore issues of mutual interest in depth, with members of the ministry and members of my staff present, chaired by myself and/or the ADM responsible.

We have much more frequent conversations than that on issues that arise from time to time.

We have a budgetary process that involves full transparency and discussion of the financial situation as it currently exists.

The ministry was invited to provide input in the strategic planning exercise and of course will be invited to comment on the strategic plan as it develops more fully.

So it's a close working relationship. There's no question that they are the regulator and the overseer, but we have a free exchange of information. I would say that it is a completely different relationship than what I understood existed previously.

Ms. Helena Jaczek: Further to that, obviously we've had the opportunity to review some of the metrics provided to us by Richard Jackson, the director of the oversight branch. I suppose we noticed that progress towards some of your goals in terms of staffing with appropriate level of care for the paramedics, availability of pilots and so on was slow. In other words, the training that you've undertaken and so on has not yet reached its full potential. Can you just give us an update on when we can expect to see some improvements in terms of staff availability at the right level of training?

Dr. Andrew McCallum: Well, I'm like you; I'm impatient. I wanted this to be dealt with literally yesterday, because it's something that, of all the things that I'm concerned about—there is a concern, as you know, being a leader, in any situation. But what worries me a great deal is that we don't meet the level-of-care commitment that we're meant to meet.

What that really relates to is two things. One is, to some extent, the availability of appropriately qualified personnel who are in our employ now, for a variety of reasons. The second is that the pipeline to train them is not efficient at the present time. So it's such a consideration for me that I've pushed hard to make it one of our major strategic goals. We have a goal to have the appropriate level of care undertaken within 12 to 18 months—

Ms. Helena Jaczek: From now?

Dr. Andrew McCallum: From now. The challenge is that it will require some fairly aggressive action on both

the part of the management and the union. We'll need co-operation from our collective bargaining partners. We're eagerly pursuing that, and we'll get to where we need to get to. If we can't get there, then I'm going to be open to looking at other models that would satisfy the need to have critical-care level of care in our air ambulances, because that's what's required.

Ms. Helena Jaczek: You were telling us previously about accelerated training programs and so on. Along the way to 12 to 18 months, is there an interim step where we'll have some improvement?

Dr. Andrew McCallum: There is. We've got a pilot project under way with one of the community colleges. I'm not sure how far down the road it is, so I won't say the name, but we have a pilot project for them to train advanced-care-paramedic flight, entry-level people. That's a very big thing for us because it means that we would be able to hire people and have them, after appropriate certification by the base hospital, work on our aircraft in tandem with a critical-care paramedic, and that aircraft would be at the critical-care level. So the mixture of CCP and ACP allows us to get the airplane to critical-care level of care and meet that obligation for that aircraft.

So we're very optimistic—Bruce Farr, who is our special adviser for paramedic operations, spearheaded a lot of this—that we'll be able to expand that program and get people in the pipeline more quickly. That's the critical first step. So there's reason for optimism there.

Ms. Helena Jaczek: In terms of the redesign of the interiors of the AW139s, there was an interim solution that, of course, has improved—

Dr. Andrew McCallum: Correct.

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Ms. Helena Jaczek: You're working towards the permanent solution. Can you give us some progress?

Dr. Andrew McCallum: Yes. There's an RFP that has been issued for the provision of the permanent interior in the AW139s. It's still open, I think, until November 15, so we're not sure which proponents will come forward. Of course, that's embargoed at the moment. But I anticipate that we will be able to—depending on what the ultimate contract is negotiated—it's going to take us another 12 months to get this done.

I stress for the committee, though, that the interior we have now is a workable interior. It's functional, but it's not ideal.

Ms. Helena Jaczek: So in other words, all the design work for the new interior has been done? It's basically going out—

Dr. Andrew McCallum: Well, it would depend on who the successful proponent is, how much work has been done.

Ms. Helena Jaczek: Oh, I see. So they're going to actually do the design and then—

Dr. Andrew McCallum: Correct; the engineering and design. In an aircraft, any time you modify the aircraft, the amount of regulatory change that's required is remarkable—and the oversight.

Ms. Helena Jaczek: Right. So you've basically done a functional specification, and then it's up to them to come back with the way it looks?

Dr. Andrew McCallum: Correct.

Ms. Helena Jaczek: Okay.

Dr. Andrew McCallum: For example, a roll-on/roll-off stretcher. I think I can say that one of the concerns the paramedics continue to have is that they have a sled and not a roll-on/roll-off stretcher.

Ms. Helena Jaczek: Okay. In terms of the standing agreement carriers, we obviously heard from them about their concern in terms of some of their businesses having essentially become far smaller on the air ambulance side. Obviously, some of them have diversified into other fields. They accuse Ornge of having this excess capacity that is sitting there not being used and, I guess, are questioning whether Ornge knows how to run a business. That was the implication.

Can you respond in terms of some of these accusations and how you might be going about looking at the capacity issue?

Dr. Andrew McCallum: I'll say two things. One is that I think any aviation professional would say that having more than one backup for every active airplane is more than would be justifiable. Certainly, we're aware of it, and it's something that's being studied. It really matters to us, though, what the strategic plan ultimately leads us to, and that's critical. We would be premature to make a decision that these aircraft should be disposed of, for example, or moved in some other way, without knowing what the organization is intended to look like in the next five years. But I would say that if things were to continue as they are now, then clearly something would need to be done, because those are excess assets.

Ms. Helena Jaczek: The strategic plan will address that? It's going to the board—

Dr. Andrew McCallum: It's a key step.

Ms. Helena Jaczek: It's a key step—and then action will follow from them?

Dr. Andrew McCallum: Correct.

Ms. Helena Jaczek: In terms of, again, the issue of negotiation around the standing agreement carriers and their discussions with Mr. Rabicki, who we've just heard from—again, there was some implication that something improper occurred around negotiation of price. Mr. Rabicki, I think, has certainly been very clear, from his perspective, that it was always known to applicants to serve as standing agreement carriers that that was part of the process and, therefore, nothing improper occurred at all. Can you comment at all on that?

Dr. Andrew McCallum: Well, I can tell you that I was very troubled by the comments that were made. I will say first of all that I don't have any direct involvement nor did I have any awareness of the actual nuts and bolts of the RFP process as it was stated. I found that very troubling, and—

Ms. Helena Jaczek: This is in reaction to Mr. Horwath, from Air Bravo?

Dr. Andrew McCallum: Exactly. In fact, there's absolutely no truth to it whatsoever.

However, understanding the process better now, as I do, the process is a several-layered process. The first is to ask for a price based on volume, and that's normal. As you'd understand, the higher the volume delivered, the price ought to be adjusted, based on that.

That was the second round. In other words, the first round's purpose was, as I understand it, to establish the guaranteed number of hours that an operator could get. If they were to get more hours, a negotiation would occur to see what kind of price could be had for excess hours. I think that's entirely appropriate. It's written into the RFP process. All proponents would have known that. The process, as far as I can determine—and this is very important to me—was entirely above board and entirely ethical.

Ms. Helena Jaczek: Another witness referred to a concern related to a conflict of interest where a dispatcher preferentially either avoided one standing agreement carrier to be dispatched, or dispatched a carrier for whom they were employed. There was some allegation that there was some improper issue going on with the application of the algorithm, and apparently, you were in some way involved in sorting that out. Can you explain to us—

Dr. Andrew McCallum: I had a call from Mr. Bob Mackie, the president of Thunder Air, expressing his concern that it appeared that the excess hours were not being allocated equitably among the carriers. Of course, it was the first I'd heard of it, so I undertook to follow up, and I spoke with our legal counsel. The decision we took was that it would be best to get an external third party to audit both the process and also the allocation of the excess hours. That's what's under way right now, and we will certainly be willing to share that once the report is back.

Ms. Helena Jaczek: And it was found that there had been a conflict of interest.

Dr. Andrew McCallum: I haven't drawn a conclusion. There are a couple of things that you're talking about that are mixed together. The conflict of interest with respect to the dispatcher did have some overlap with the concern about the excess-hour allegation, but, as I understand it, the concern with that particular dispatcher was that he was working for one of the carriers while he worked for Ornge. He no longer works for a carrier. He was told he had to make a choice.

Ms. Helena Jaczek: Mr. Rabicki referred to some conflict-of-interest declarations required—

Dr. Andrew McCallum: Correct. Every employee is required to declare their conflict of interest, if it exists, perceived or real, every year. That's maintained by our CAO and general counsel, and he acts on disclosures that would cause trouble either as perceived or real conflicts.

Ms. Helena Jaczek: Apart from that specific allegation related to one particular instance, you're also reviewing the dispatch algorithm. Is that correct?

Dr. Andrew McCallum: Yes, that's fair to say. I think it's also fair to say that the air ambulance and helicopter EMS is a small community. Where there are private carriers, people often work for them during their

off-days and off time. As any other employer, we don't have the right to dictate to someone what they do on their days off—with certain exceptions in the air environment, where duty and crew restrictions come into play—but we do have the right to say, "You may not use either position to advantage one of the organizations." That's the concern.

Ms. Helena Jaczek: I understand that you have developed your strategic plan and some things may not be fully decided, but could you ever see a day where Ornge would dispose of its entire fleet and contract out 100% of the business?

Dr. Andrew McCallum: I can foresee many possibilities, and I wouldn't discount any particular possibility. At the present time, I think it would be premature to determine that we would radically change the provision of services yet again.

I would also express a note of caution, in that on the land EMS side, actions have been taken in the last 15 years to consolidate them in the public sector—albeit partly in the municipal but partly funded by provincial governments—and remove private carriers, and the reason for that is that the standardization of them is very difficult.

There's also, however, an advantage of having private carriers in the mix because of redundancy and the ability to—a question, I think, Mr. Mauro asked this morning—withstand the sudden shutdown of one of the carriers.

Ms. Helena Jaczek: In other words, you're saying all options are being examined very carefully, and as you move forward in your position as the CEO of Ornge, you will make the recommendations based on logic and based on—we heard the term "mission profile" etc. That is the way you see things going forward?

Dr. Andrew McCallum: That's fair. We certainly, I think, have to do what's right for the patients of Ontario and as good public stewards. Those are the drivers that I look at. If the decision leads us towards one particular model, then we need to go down that path.

Ms. Helena Jaczek: I'll reserve whatever time we have left.

The Chair (Mr. Norm Miller): Very well. We'll go to the opposition. Mr. Klees?

Mr. Frank Klees: Dr. McCallum, thank you for being here again with us. I'd just like to pick up on the dispatch issue because we had some discussion with Mr. Rabicki on this as well—just to close the loop on it.

Based on Mr. Rabicki's testimony, he was contacted, he checked things out. According to him, it was determined that the system itself was functioning properly; that it was human intervention; that there was an individual identified who was working for both Ornge dispatch as well as—what was the name of the airline?

Dr. Andrew McCallum: Air Bravo, I believe.

Mr. Frank Klees: Air Bravo—and that that individual was then given an ultimatum to either choose Air Bravo or Ornge. From what I hear you telling me, he chose Ornge and he's now working at Ornge in the dispatch. Is that correct?

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Dr. Andrew McCallum: That's my information, yes.

Mr. Frank Klees: I'd just like to pursue that with you. I find that somewhat disconcerting because if in fact that individual chose to act unethically, which clearly he did if he was making decisions in that dispatch centre to drive business to one particular carrier, surely that can't qualify as ethical practice within Ornge's standards. Do you agree?

Dr. Andrew McCallum: Well, your premise is incorrect. You're taking it from the position that it was demonstrated that he assigned aircraft. We didn't demonstrate that, but we did understand that there was a perceived conflict of interest, and on that basis, he was told to stop his employment. We don't agree on the premise. Had that occurred, I would agree with you, but we didn't establish that.

Mr. Frank Klees: Okay. So it was just coincidence.

Dr. Andrew McCallum: I don't know the details of where the allegation arose, but I can tell you that it wasn't established. That's all I can tell you.

Mr. Frank Klees: Okay. I'd like to just pursue the compliance issue. We spent a considerable amount of time with Mr. Rabicki, talking about how the standing agreement providers bid into their business and how it is subsequently awarded. I understand the subsequent negotiation because that's part of the deal. They agreed to that, so they bid in, and then subsequently there is an ongoing negotiation between Ornge and them.

The concern, however, that I was focusing on with Mr. Rabicki is that these agreements are very extensive and they contain very specific requirements in terms of the equipment that the aircraft must have and the specifications of the aircraft. A concern that has been expressed to us from the providers is that there's a very unlevel playing field; that while some carriers are bidding into these agreements and are compliant with the specifications, others are given the same agreement that contains the same requirements but are not enforced. So you have a very unlevel playing field, where it costs one carrier a certain amount of overhead to be able to comply with your agreements; other carriers bid into that business and are obviously able to lowball that because they don't have the overhead costs. Mr. Rabicki admitted that Ornge does not do a very good job of holding providers up to the standard of compliance. We had an example here of Mr. Paul Cox, just last week, who, when I asked him if he has the TAWS equipment installed, said, "Well, tonight at midnight I'm out of business."

Dr. Andrew McCallum: I heard that.

Mr. Frank Klees: All right? Then we heard that the next day, someone from Ornge was making calls to all the other standard-offer providers, asking if they have the equipment installed.

There were two things that concerned me about this. Number one is that we had a provider who was flying, who had a contract and who didn't have the equipment installed and then had to be taken out of service. The question I have is, where is the compliance requirement

on the part of Ornge for these providers? It was a particular concern when I heard back from other carriers saying, "We got a call from Ornge asking if we're compliant." I would have thought that Ornge would know whether or not they're complying.

I'll just add this last comment. Mr. Rabicki indicated to us here just an hour ago that Ornge was requiring compliance and had a compliance system in place prior to 2011. In his words, that has actually fallen off since 2011. I would have thought, given the context of Ornge, that if anything, we would have been stronger on the compliance side than allowing it to fall off.

I'd ask you to comment on that. Why are we not doing a better job of requiring compliance with the very standard specifications of the agreement? Why are we not following up? What does Ornge intend to do to rectify that?

Dr. Andrew McCallum: It's a fair question, and I would say at the outset that I think it's a fair criticism as well. It's something that I wasn't aware of, and it's something that I think if you asked me to explain why it happened, I can only tell you that the period of turmoil that started in 2011 may have had some effect, but beyond that, I can't speculate as to why the ramp check frequency would have fallen off.

What we'll be doing going forward, though, is, as you've heard, we've hired new base managers who are responsible for the entirety of the operation, and one of their tasks will be to conduct both announced and unannounced ramp checks of the SA carriers to ensure that there is compliance with the contractual requirements.

Mr. Frank Klees: Okay. You announced a strategic planning process a few weeks ago.

Dr. Andrew McCallum: I did.

Mr. Frank Klees: I'm interested in that. I know that you've been following these hearings, and one of the fundamental principles that we keep hearing is that perhaps Ornge should not be in the aviation business, that one model that should be considered is to divest itself of the aviation side of the business, focus on the health care delivery side, focus on the dispatch side and allow companies that have the experience on the aviation side to do that part of the business.

Is your strategic planning exercise open to looking at that model, or are you intent on building on Dr. Mazza's scheme?

Dr. Andrew McCallum: The short answer is yes, we're open to all models. You would know, because I know you have a business background, that proper strategic planning should consider all aspects of what the company does and what's best for the mission that the company is trying to achieve.

One of the considerations in the strategic plan is the fleet composition and how it's operated. We'll certainly be looking at that over the next 12 months or so.

I would say that I'm agnostic about it at the moment. I think that the people who fly for us, the people who work on our aircraft, the people who run the aviation side are extraordinarily competent. I think it's one of the un-

intended effects of a process like this: that they're constantly reminded of the past and the challenges that were faced, and certainly ongoing challenges, as you've alluded to already. I say this because I suspect the audience is out there. I want them to know that I value what they do, that I think that they're very valuable to the province, whether or not they're working for Ornge, and I'm proud to have them working for Ornge at the present time.

But I think that any leader in an organization like this has to say that in strategic planning, we should look at all options.

Mr. Frank Klees: I'm encouraged to hear that.

Mr. Rabicki, also, in his closing comments, made what I thought were very helpful comments. When I asked him if there was one piece of advice—and you were here to hear that—

Dr. Andrew McCallum: I was.

Mr. Frank Klees:—it was that the performance indicators should be tightened up and very specific in terms of the service delivery. He also made reference to the fact that the current performance agreement is far too loose in terms of the performance indicators that are identified there, and we've been saying that. Some of us have been saying that for some time because we've also heard that through testimony.

From that standpoint, I'd like you to comment. Having heard what Mr. Rabicki said, your reaction to that and what we could expect from Ornge, either through the strategic plan or—I mean, that's something that you can move on immediately.

Dr. Andrew McCallum: Absolutely. KPIs are something we can move on immediately. Although, remarkably, it's more complex than you would think, and there are two parts to the answer.

I have an enormous amount of respect for Ted; he's a very practical, thoughtful, intelligent guy who has a very good understanding of the emergency medical services system. He's right. There do exist useful benchmarks in the land ambulance world and the firefighting world. Remember, though, that they're working in two dimensions, not three. They're working near to base, not far. They're working with one kind of vehicle, not many. So there are some challenges, but that—in no way would I argue with him that we could have better KPIs. I would agree with that entirely, and I think we can work on that.

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The second complexity, though, is that, remarkably, with our current state of information technology at Ornge—when I came to Ornge, I was surprised to learn that our systems don't talk to each other very well. This is a common failing in complex systems where IT is sort of grown by sedimentation, as you know. For example, our aviation systems don't speak well to our dispatch systems, and the time synchronization is not what you would want. So if you want to measure events that occur in minutes and seconds, you need to have time synchronizing across the system, as you'd appreciate immediately.

For example, how long it takes us to get out of that base, into the helicopter and on the way to a scene call right now is difficult to collect. It won't be in six months, and that's when a KPI like that will become valid and useful. It doesn't mean we don't make every effort now to improve our shoot time, which is what the firefighters call it. Nonetheless, if you said to me, "How confident are you in the accuracy of that information?" I couldn't tell you I was confident at the present time, but I will be. If this committee is still hearing evidence on this matter, I'd be happy to come back and tell you about it.

Mr. Frank Klees: Okay. How much time do we have?

The Chair (Mr. Norm Miller): You have eight minutes.

Mr. Frank Klees: I'll save it for a little bit later. Thanks.

The Chair (Mr. Norm Miller): Very well. We'll go to the NDP. Ms. Forster.

Ms. Cindy Forster: Thanks. Good afternoon, Dr. McCallum.

Dr. Andrew McCallum: Good afternoon.

Ms. Cindy Forster: In my questions, I want to zone in around the issues of contemplation of contracting out the entire operation versus contracting, or the public sector taking over, the entire operation—

Dr. Andrew McCallum: So going the other way and having everything brought in house.

Ms. Cindy Forster: Going the other way. My question kind of comes from some of the earlier comments, but it also comes from my former municipal hat, where we contracted out services. Waste management, recycling, for example, is one area where we had a dozen operators in the Niagara region. We had a really good level of service from most of them.

At the end of the day, we end up with one large operator who puts a lowball bid in the first time and knocks the rest of the players out of the field.

The next time around, the prices are now bumped up by millions, and there are no little operators any longer to create any competition in that sector.

I just want to hear your thoughts on that piece.

Dr. Andrew McCallum: Well, I'll respond in the same way I responded to Mr. Klees's question, which is that I would consider anything that would benefit Ontarians and deliver the service that they need to have delivered with the appropriate stewardship.

I think that you're right, that you can get into a situation where a single private provider leads to highballing of the price. Of course, that's the risk of not having more than one SA carrier contracted. There's real value in having a number of viable private carriers working for us and with us.

I think that there's a risk of going to the single public service model as well. I mean, there's always a pro and con, as you know, and I wouldn't say there's entirely pro or con one way or another. But I will say that we would look at all the available models, including the current

one, to see which is the best way to go forward based on the strategic plan.

Ms. Cindy Forster: Now, I know you may not have been there at the time, but when the decision moved forward to move from total mileage to an hourly kind of rate—somebody talked a bit about that today—if the volume of hours that are guaranteed increases, the price should go down.

Dr. Andrew McCallum: Volume discount.

Ms. Cindy Forster: Right, volume discount, but we're talking about patients here; we're not talking about widgets. Is that because these guaranteed hours are sometimes standby hours?

Dr. Andrew McCallum: Well, yes, that's fair to say. The fact is, as you know, that the cost of the first hour is the highest cost they have, and the marginal cost of the last hour flown is the least. That's the reason exactly. So if you're guaranteed 600 hours a year, there are two purposes. One is to say what the carrier can expect. The second is to allow them to go their bank and obtain letters of credit, if they need it. That's the reason.

But to your point about patients: We never forget that. These are patients. And the patients' experience is exactly the same, whether or not the hourly rate is different.

Ms. Cindy Forster: Okay. Now, there was some previous testimony about Argus, which is a third-party auditor.

Dr. Andrew McCallum: Correct.

Ms. Cindy Forster: Are you still using Argus?

Dr. Andrew McCallum: We are.

Ms. Cindy Forster: And it came up in the testimony of Mr. Mackie of Thunder Airlines about a third-party audit organization contracted by Ornge offering to spend extra time or an extra day auditing Thunder Airlines for a platinum rating, and that Argus would charge a fee and a monthly payment of \$150 for issues associated with obtaining a platinum rating. Now, Mr. Mackie said that he found that to be "a gross conflict of interest" and he forwarded that email to Mr. McKerlie, but he never received a reply. So can you comment on the integrity of relying on Argus audits?

Dr. Andrew McCallum: Certainly. As I understand it—and I'm not the aviation expert, but I try to make myself familiar with all things that matter to the organization—

Ms. Cindy Forster: Right.

Dr. Andrew McCallum: —Argus is an internationally recognized safety audit firm in the aviation business. This approach to someone they're evaluating on behalf of a third party, to suggest that they might want to sell them a separate service to enhance their rating, which has no bearing on the original rating, in our view, is entirely inappropriate. I understand that at the time this was made known to Mr. McKerlie, there was a communication with Argus on two counts: one was to tell them to stop doing it and we would not continue to use them if they did it any longer; and the second was to the operators, to advise them that in no way were they obligated to accept this, that it had nothing to do with the rating with us. In fact, it doesn't have anything to do with their rating with us.

Ms. Cindy Forster: Does Ornge have any kind of quality assurance checks that actually check—

Dr. Andrew McCallum: What Argus does?

Ms. Cindy Forster: —Argus's work?

Dr. Andrew McCallum: I can't speak to that, but I can undertake to take back to you to find out how we check or do quality on the quality assurance people. I'll make a note of that.

Ms. Cindy Forster: I now want to move to whistleblower protection and the provisions for the standard agreements. Mr. Cox was here from Wabusk Air, and he indicated that in his agreement there were whistle-blowing provisions included in the contract with Ornge, but others noted that it was difficult to complain about an organization that is entirely in control of the standard agreements business and revenues. I'm wondering if whistle-blowing is in all of the agreements with the various carriers?

Dr. Andrew McCallum: I don't know, but again, I'll find out for you. I can tell you that, as you probably know, the whistle-blowing process is well entrenched. It's entirely independent. It's anonymous, so we would not know which air carrier had complained, if that came to us, because it comes through an independent third party. I can tell you that to date we've had no complaints.

Ms. Cindy Forster: Mr. Rabicki, at the end—I think he was asked a question by Mr. Klees that if he could do one thing in light of his time at Ornge that would kind of improve the system, it was around making sure that you have a tighter operating standard, and he referred to operating standards for firefighters, for police.

Dr. Andrew McCallum: Yes.

Ms. Cindy Forster: Do you have any idea how Ornge can actually work on that and improve that for better patient outcomes?

Dr. Andrew McCallum: Well, from the operational standpoint there's two things actually, if I could be permitted two. The first is the mission profile. The mission profile, which defines how we use the asset to best advantage for the patient and match the patient's needs best is number one, because if we do that and get that right, we're going to be able to provide, again, a highly efficient, highly responsive service to patients at a time they need it. That really is number one.

The second, then, is to develop measures that would allow us to properly understand how we're doing against that process. At the present time, we have throughout the province—you've heard that there's unmet need. Part of the reason there's unmet need is because of the opportunity cost of mismatching vehicles to the patients' needs. For example, we're not always using the most expeditious means to transport; we're not always using the most cost-efficient means to transport, with the proviso that there's the same outcome that occurs; and we're often doing things to facilitate transport that would be, in my mind, completely avoidable if we had a more organized and integrated system, like moving assets and people all over the province to cover parts of the province that aren't covered.

Ms. Cindy Forster: In the past, there were big relationship problems between management and employees at all levels at Ornge. Can you comment a bit on how that has changed? Mr. Rabicki spoke a bit to it, but he hasn't been there for a couple of years.

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Dr. Andrew McCallum: I think it's a work in progress, to be frank. There are pockets where I'd say we've made good progress, and there are areas where we still have work to do.

The labour relationship is improving overall, I think. People understand that the current management is entirely focused on doing the right thing and trying to get the organization back to the place of respectability that it ought to occupy. We are in contract negotiations at the present time with a number of our unions, one fairly advanced. That's always a challenging time, but we're respectful of their issues and I think they understand ours, and we're working that through.

I've been to all but two of the bases now. It's surprisingly challenging getting around the province with the number of things that have happened. So that's a goal: to get out and meet people. I try to be as available as I can be, and I think it's fairly true of all the execs in the organization. I've had a number of people come into my office, who some of the people around this table have seen, and say, "I've never been in here before." It's kind of nice to be able to say, "Well, you're welcome here."

Ms. Cindy Forster: Those are all my questions.

The Chair (Mr. Norm Miller): Very well. We'll go to the government. Ms. Jaczek.

Ms. Helena Jaczek: Just quickly, I want to clarify one other allegation Mr. Horwath from Air Bravo made. This is a direct quote from his testimony: "Well, one thing I can see is that it became apparent that they"—and that presumably means Ornge—"allowed the unionized medics to more or less dictate whether an airplane was to go flying or not, based on how they felt about the weather, instead of leaving that to the pilot's choice." Can you clarify for us, is that the case?

Dr. Andrew McCallum: I don't accept the premise. I don't think that's a true statement. It's always the pilot-in-command's decision as to whether or not the airplane is going to go flying.

Ms. Helena Jaczek: Thank you.

The Chair (Mr. Norm Miller): Mr. Mauro.

Mr. Bill Mauro: Dr. McCallum, thank you for being here. Can you describe for me again, before I get to my question, a ramp check?

Dr. Andrew McCallum: A ramp check is just what you would think it is. It's walking up to the airplane and asking to see the relevant equipment and documents that are supposed to be carried aboard to the aircraft, based on the regulation under which that ramp check is being conducted. If it's a Transport Canada ramp check, they use the Canadian air regulations. If it's us, it will be the contract.

Mr. Bill Mauro: You had expressed a concern that Ornge isn't doing them as much or as frequently or at all compared to what they used to?

Dr. Andrew McCallum: To be frank, I don't know the frequency. I can tell you I accept what Ted Rabicki said. It appears that the frequency has diminished, if it's there.

Mr. Bill Mauro: I think he said that up till 2011 they were doing them, and then they stopped the ramp check piece. It wasn't the only piece they were doing, but that piece stopped for some reason.

Dr. Andrew McCallum: That's correct. All the other checks continue, like the Argus safety checks etc., and those are done on-site.

Mr. Bill Mauro: I need to just respond to it, though, because you mentioned in an earlier response to a question from one of the other members that Transport Canada can still ground an aircraft, and when they do their inspections, they still have the authority, and there is a layer of inspection there beyond what your organization does that would ensure the physical safety of the aircraft.

Dr. Andrew McCallum: Correct.

Mr. Bill Mauro: Okay. The enterprise model—both Ms. Forster and Mr. Klees have asked. I'm interested in that as well. You've kind of answered it. On a go-forward basis, you're currently reviewing what the organization will look like in terms of whether it's a fully public model or a fully private model. A hybrid model, I guess, is what we currently have. Are you needing a signal back here before you can make that decision—I think that's what you're very nicely trying to say—or is that something that you were going to embark upon? And what's the time frame around that review?

Dr. Andrew McCallum: I think it's up to the management of the company to recommend to the board what makes the most sense for the operation. I wouldn't characterize it as looking for a signal. We obviously are entirely dependent on government funding, so there's a considerable amount of clout with that. So if we were told to do something, we of course would be in a position to listen.

Mr. Bill Mauro: What's the time frame?

Dr. Andrew McCallum: To look at that?

Mr. Bill Mauro: Well, I thought you said you are looking at it now.

Dr. Andrew McCallum: It will be the next six to 12 months, as part of the fleet and base location, and aircraft allocation.

Mr. Bill Mauro: Thank you, Mr. Chair.

The Chair (Mr. Norm Miller): Very well. Mr. Klees.

Mr. Frank Klees: I'd like to pick up where my colleague Mr. Mauro just left off, because I think this is central to how we move forward. What I think got us into the mess that we are in—or were in, and you're trying to work it out—is that Ornge and Dr. Mazza took the position that they could do whatever they choose to do. Essentially, their interaction with the government was, "We're here to brief you, but we're going to do this, notwithstanding what you might think."

That attitude was actually reinforced by Ministry of Health testimony saying that, "Yes, we were told this, but it was made very clear that the Ministry of Health has

nothing to say here. All they need to do is give us the money." So what I'd like to do is get a commitment from you that, once your strategic planning process is done and once the recommendation has been made to the board and the board endorses the go-forward strategy, that, then, will be taken to the Ministry of Health, and the Ministry of Health, because they're the ones who are funding, will in fact have the final say. Can you confirm that for me?

Dr. Andrew McCallum: Certainly that's the way I intend it to go.

Mr. Frank Klees: Okay. We had Transport Canada in this morning, and the reason that we did is because we wanted to review the two inspection reports that they did at the beginning of the year that you're familiar with. I won't go over the details of that again, but there were some findings there that were very, very disturbing.

Can you confirm for us that all of the steps necessary to bring Ornge into compliance have been taken, that all of the findings that were contained in those two reports for both fixed-wing and rotor-wing have in fact been dealt with and that Ornge is now in full compliance?

Dr. Andrew McCallum: To the best of my knowledge, yes.

Mr. Frank Klees: I wonder if we could get from you, Dr. McCallum, something in writing confirming that to the committee.

Dr. Andrew McCallum: Sure.

Mr. Frank Klees: And if, in fact, there are still some outstanding items on any of these findings, that we would be apprised of them.

Dr. Andrew McCallum: Sure.

Mr. Frank Klees: And one final request I have of you: In the 7506406 Canada Inc. report—that's the rotor report—

Dr. Andrew McCallum: Right.

Mr. Frank Klees: —one of the findings was that flight crews had not received the required training in six different categories: aircraft servicing, ground handling, emergency procedures, aircraft surface contamination, aeromedical resource management, line indoctrination and, the last one, controlled flight into terrain avoidance. There were 22 pilot licences that were identified as pilots who had not received that training.

I would ask you to provide the committee—in confidence; this is not for public consumption—with the names of those pilots that those pilot licences relate to.

Dr. Andrew McCallum: Would you permit me to take that under advisement? I'm concerned about the privacy issue for them there. I have no objection to doing it, but I'd like to respect their privacy.

Mr. Frank Klees: No, no; by all means. Again, as a committee, we would commit to hold that private as well. It's not for public consumption, but we would look forward to hearing that.

Dr. Andrew McCallum: I understand the intent, and I can tell the committee that the CFIT training, as it's known—controlled flight into terrain—has been accomplished.

Some of it was an issue of documentation; some of it was an issue related to the fact that the simulator they fly is a newer version of the actual Sikorsky aircraft that we fly. You can't find simulators that are exact duplicates of the S-76A. There were differences between the two which led to some confusion and some difficulty with the documentation.

Mr. Frank Klees: Yes, and, of course, one of the other findings of the report was that, while they were trained on the one simulator, they were then asked to fly in a model that was considerably different in terms of configuration. According to the report, there was no training in what the differences were.

Dr. Andrew McCallum: I think it's a fine point that there is no documented training, which isn't to say—in medicine we always have the dictum: If you don't write it down, it wasn't done. I accept that we can't verify that it was done.

Mr. Frank Klees: Okay. If you would get back to us on that request, I'd appreciate it.

Dr. Andrew McCallum: I will. I'll take that under advisement.

Mr. Frank Klees: Thank you.

The Chair (Mr. Norm Miller): Okay, very well. Do you have some more questions, then?

Ms. Cindy Forster: I just have one question. What is line indoctrination?

Dr. Andrew McCallum: I'm not sure that I'm the best person to answer the question. My understanding is it is indoctrination as to how the flight line operates and how the aircraft is serviced on the ground.

Ms. Cindy Forster: Okay. Thanks.

The Chair (Mr. Norm Miller): Is that it?

Ms. Cindy Forster: That's it.

The Chair (Mr. Norm Miller): Okay. Does the government have any further questions?

Ms. Helena Jaczek: No.

The Chair (Mr. Norm Miller): Mr. Klees, do you have any further questions?

Mr. Frank Klees: No.

The Chair (Mr. Norm Miller): Okay, very good. Thank you very much, Dr. McCallum, for coming before the committee today. We appreciate it.

We are adjourned.

The committee adjourned at 1440.

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Official Report of Debates (Hansard)

Wednesday 6 November 2013

Journal des débats (Hansard)

Mercredi 6 novembre 2013

Standing Committee on Public Accounts

2012 Annual Report,
Auditor General:
Education of Aboriginal Students

Comité permanent des comptes publics

Rapport annuel 2012, vérificateur
général : éducation des
élèves autochtones



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STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 6 November 2013

Mercredi 6 novembre 2013

The committee met at 0833 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Norm Miller): I'd like to call the committee to order. I believe we have a motion that was filed by Cindy Forster, MPP, which I'll look to the NDP to move. Ms. Gélinas, go ahead.

M^{me} France Gélinas: I will try this.

I move that the Auditor General conduct a value-for-money audit on the Ministry of Energy's plan to build and subsequently cancel two nuclear reactors at Darlington nuclear generating station;

And that the audit shall include how much taxpayer and ratepayer money was spent prior to the cancellation;

And shall report on the government's estimated total cost of the projects if they had proceeded.

The Chair (Mr. Norm Miller): Would you like to make some comments? You don't sound that great this morning, Ms. Gélinas.

M^{me} France Gélinas: I feel even worse.

Some of the comments: You will remember that I had tabled a motion that was similar to this, then withdrew it and submitted—actually, Cindy did it for me last week—this particular motion. Basically, all that we're asking is to look at how much money has been spent so far. Certainly, we don't expect the auditor to suddenly come up with the N amount, but if, as she does her work, some of the government estimates are available, then she would share that with us. If you would allow, Chair, I would ask the Auditor General if she thinks that this is reasonable.

The Chair (Mr. Norm Miller): I'm sorry, I missed the last bit—if she can do what?

M^{me} France Gélinas: Tell us if this is reasonable.

The Chair (Mr. Norm Miller): Okay. Auditor General?

Ms. Bonnie Lysyk: The three items that are listed there are auditable. So we would be able to look at the plan and the cancellation costs. We would also be able to look at what money was spent prior to the cancellation. As you point out, we wouldn't be able to audit the estimate of something that hadn't proceeded, but we would be able to look at it from the point of what the government's estimates were from their work. So if we were requested to do it, we could do the work. I just wanted to point out that we do have four that we're working on right now, so it would be fitted into that schedule. If there

was a request down the road for another one, I would just have to sit back and think a little bit based on our resources, but it is a doable request.

The Chair (Mr. Norm Miller): Mr. Delaney?

Mr. Bob Delaney: Just before I go, Chair, Ms. MacLeod, is there anything you want to add on that?

The Chair (Mr. Norm Miller): Ms. MacLeod?

Ms. Lisa MacLeod: Thanks, Mr. Delaney. Thank you, Chair. I'm looking at this and I don't think we can support it based on simply looking at the build and cancellation of the two nuclear reactors. The only way, I think, we would support this is if we were to extend it into conducting a value-for-money audit on the government's Green Energy Act as well. I think that would be a much more holistic approach. It would make a lot more sense if we were asking the auditor to conduct an audit there. So we would be opposing this. We're considering an amendment, which would be the only way we would support it.

The Chair (Mr. Norm Miller): Did you want to move your amendment?

Ms. Lisa MacLeod: I'd actually like to hear what my colleague from the government has to say.

The Chair (Mr. Norm Miller): Mr. Delaney?

Mr. Bob Delaney: Well, I may actually give you cause to do an independent motion. Chair, ultimately, whether or not the auditor chooses to undertake a project will be the auditor's decision, but on behalf of the Ministry of Energy, we'd like to try to make this task a lot easier. I've brought with me a document that I'm pleased to table with the Clerk, which you can either copy or make available to anybody on the committee, at your option, but this is a document that, in fact, talks about exactly what was spent. I would actually ask if the Clerk could distribute some of the material that I left.

Much of the information requested in the motion not only is online, but has been for some time. Some of the issues with this particular motion: It asks about a decision to build, but in fact no decision was made. And as no decision was made, there's nothing to cancel and there are no contracts, proposed or otherwise. In fact, Ontario Power Generation had invested some \$180 million in environmental approvals, in project planning and in public and stakeholder consultations around that potential new build, but that's all documented in the materials that I've distributed and in the documents that I'm going to leave with the committee. The auditor and the mover are

perfectly welcome to examine them at their will. The OPG costs for new nuclear planning are contained in rate applications that it routinely submits to the Ontario Energy Board, and the OEB decision papers, which confirm the costs submitted by Ontario Power Generation, are all available online and have been for some time. The committee members have the relevant links.

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With regard to the funds expended, a public policy decision needs to be made with the best evidence available. There were costs associated with ensuring that the government had that decision to arrive at the decision that it did. Each vendor was paid to execute the work, and it was made clear that the issuance of service agreements—which is what they were—did not constitute any commitment on the part of the government for construction of any new nuclear units, at Darlington or anywhere else.

With that, Chair, I'm wondering whether or not we have answered the questions raised by the mover of the motion.

The Chair (Mr. Norm Miller): Mr. O'Toole?

Mr. John O'Toole: Just in response to that, as I live there and attend meetings: I have been in meetings where commitments were made by your government, and I'll get you the clippings from those meetings, if you wish. I consider those words your bond, your commitment, and you could argue about whether it's a formal policy announcement or anything else. Those monies, by communities and companies, for RFQs and RFPs—all of those things were made in the contractual understanding that the ultimate decision on the date to start would be announced.

They had a complete process, and those cost millions of dollars, so for you to imply that there was no understanding—I think you're playing with words and manipulating expectation. I just think it's a false premise to start any discussion to say, "This is already answered. Here's some website you can look at."

I'll leave it at that. I'm very disappointed that you would try to, more or less, dismiss as irresponsible any resolution with respect to—the cancellation is a completely different part of it. Your word is your bond, but I find that that's now in question. Maybe that should be a motion in and of itself.

The Chair (Mr. Norm Miller): Ms. Gélinas?

M^{me} France Gélinas: I would say that our energy critic is fully aware of the information that is available online. As you know, this is a file that we follow step by step. This does not give us the answers that we would like the Auditor General to give us. Are she and her team going to look at those documents? More than likely. There are documents that talk to some of the issues, but are they the equivalent of an auditor's report that tells us how much money has been spent on RFPs, RFQs and the project so far? Absolutely not. Only an Auditor General's report will give us that information.

The Chair (Mr. Norm Miller): Ms. MacLeod?

Ms. Lisa MacLeod: I have great respect for my colleague Mr. Delaney. I know he tries to be co-operative,

and I appreciate this sheet of paper with public information on it. As I stated, this isn't my preference, this motion, to move forward, but I do have an amendment that I would like to make. My support or lack of support for this motion would be contingent on the PC amendment passing, and it would say this: I move—

The Chair (Mr. Norm Miller): So we'll pass it around. We do have copies, so we will pass that around to the members.

Ms. Lisa MacLeod: You do? That's great. I'll read the motion. I move that the motion be amended by adding, "Prior to conducting the value-for-money audit on the nuclear reactor cancellation, the Auditor General shall conduct a value-for-money audit on the government's Green Energy Act; and that the audit shall include, but not limited to, the Green Energy Act's impact on jobs, the cost of the Green Energy Act on ratepayers and the cost of feed-in tariff subsidies paid to date; and that the audit shall include how much the Samsung contract cost taxpayers and ratepayers and how much of that contract has been paid to date" after the paragraph, "And shall report on the government's estimated total cost of the projects if they had proceeded."

The Chair (Mr. Norm Miller): Debate on the amendment? Mr. Mauro.

Mr. Bill Mauro: Thank you, Mr. Chair. A bit of an administrative process piece, I guess: I hope I'm still talking to the amendment, because I guess that's where we're at right now, but I'm just interested—from the auditor: You mentioned that there are four other audits going on right now. This would be the fifth, I think you said. I'm just trying to recall—it's been a while since I've been on public accounts. But I'm just trying to remember when we go into the next round of each individual party being able to request what comes forward in the next year of your work.

There are two questions there, I guess, and I'm interested if you can clarify for me, because—I understand your challenge here, Chair. I hope that you'll see why that information is important to me in terms of the amendment.

The Chair (Mr. Norm Miller): In terms of the selections, the parties select from the report that has been already tabled, so that would be like last year—typically, all the parties make selections from last year's report.

Mr. Bill Mauro: That's correct. My point being two things, obviously, because all the parties are going to have an opportunity—if this motion were to fail, all of the parties represented here are going to have their opportunity to make selections again. So this could obviously be selected by either of the three parties represented here today. I'm also interested in what the other four are that are in the queue already.

The Chair (Mr. Norm Miller): So the special reports.

Mr. Bill Mauro: Yes.

The Chair (Mr. Norm Miller): I'll pass it on to the auditor.

Ms. Bonnie Lysyk: Yes. If a motion was passed in this committee for us to do some work, obviously we would take that seriously and integrate the work into our plan. Historically, the office has produced between 10 to 14 value-for-money audits every year, and those are audits in the past that have been chosen by the audit office.

You'll find that in the one that is going to be published in December, we're reporting on 10 value-for-money audits, the reason being is there was the Mississauga gas turbine request audit, there was the Oakville request that was being worked on and the ones that are in the queue.

The ones that are in the queue are the OLG and the ONTC, Ontario Northland. A few weeks ago, this committee passed a motion for us to look at the difference in the costs associated with the labour agreements and then the cancellation of the circumstances around the labour agreements. And I misspoke. This one would be four. If we did this one, this one would be four.

My comment in terms of the workload: Basically once a value-for-money audit is started in the office and a special request comes in, then there's a choice that's made. That value-for-money is put aside and the request is worked on, or we see what can—you know, in the past, the office saw what could be done and maybe chose to staff up.

Mr. Bill Mauro: That was going to be a follow-up for me: What does it do to you in terms of the work that's already ongoing? Does the committee assume that if this motion were to pass this would go at the end of the line and it would be done, or would it all be done concurrently with the other work that's going on now? Or is it implied that it goes to the end of the line and the work—which takes us almost into the year where you're beginning your new work again and then we get to choose out of what you've chosen, so to speak.

Ms. Bonnie Lysyk: Now, we've known about this motion for a couple of weeks.

Mr. Bill Mauro: Sure.

Ms. Bonnie Lysyk: We've gone through the planning process for the audits that we'll be working on the next year, so we did take into account in our planning that this motion might pass, which is why I said that if it passes, we'd be able to work on it, because we're at the point right now where we're starting on audits. The specials that we're working on are different teams than the team that would be working on this request, if the motion was passed.

If the motion wasn't passed, we would continue with what we had normally planned to do—other audits. If there was another motion on the table down the road, we would still consider and integrate it. I have great respect for the committee and for the choices made at this committee. I do feel that we work for you, so—

Mr. Bill Mauro: Thank you, Chair.

The Chair (Mr. Norm Miller): Mr. Delaney?

Mr. Bob Delaney: Thank you, Chair. France, you've either got a very bad microphone or a very bad cold.

M^{me} France Gélinas: The second.

Mr. Bob Delaney: Okay. We'll try and ensure that the use of your voice is as limited as we can get.

Chair, in response to some of the comments that I've heard, in 2011, in order to provide greater certainty in the support of decision-making, representatives from Infrastructure Ontario, Ontario Power Generation, the Ministry of Finance and the Ministry of Energy established what was called the government nuclear team to develop a framework for assessing new-build nuclear as an option for long-term baseload supply.

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In June 2012, service agreements were issued to two reactor vendors for possible new-build nuclear at the Darlington site. These service agreements required the vendor to provide detailed information on construction plans, schedules and cost estimates for construction of their respective designs at the Darlington site—

Ms. Lisa MacLeod: A point of order, Chair.

The Chair (Mr. Norm Miller): Yes?

Ms. Lisa MacLeod: Just with respect, we have an amendment that we're discussing. Could we either—

Mr. Bob Delaney: Actually, I want to stand that down because it's the amendment that's on the table and not the original motion.

Ms. Lisa MacLeod: Yes.

Mr. Bob Delaney: So we're dealing with the amendment, and I quite agree with you.

Ms. Lisa MacLeod: Could I put the amendment to a vote?

The Chair (Mr. Norm Miller): No. We're discussing right now, so continue.

Mr. Bob Delaney: The comments I have relate to the original motion and not the amendment.

The Chair (Mr. Norm Miller): Okay, so we'll go to France. We're dealing with the amendment.

M^{me} France Gélinas: Yes, I'm dealing with the amendment. The first thing I would like to ask you, Chair, is that, although I fully understand the spirit of the amendment, it has nothing to do with the original motion, so I would ask: Is it in order?

The Chair (Mr. Norm Miller): I will turn to my Clerk for that advice.

Interjection.

The Chair (Mr. Norm Miller): It is in order, is the short answer.

In light of what's going on today, I'd just like to remind the committee that we do have a value-for-money audit planned. I'm a little sensitive to time, especially this afternoon, when we have people coming in from Thunder Bay etc. Just keep that in mind.

France, go ahead.

M^{me} France Gélinas: Then I would say, although what she's asking for has merit, that I don't see it as an amendment to the work that we had already asked for. We will be voting against the amendment but not the spirit of what she's trying to do. If it was to come in its own motion, this is certainly something that I would be willing to support and consider, but I don't think the two have to be lumped in together. One is looking at some-

thing that is clearly defined: a set of RFPs and RFQs that have gone on. The other part of the work, I'm guessing, is a lot more substantive in the amount of work that we're asking our auditors to do. I would like to turn to our auditor again so that she can tell us a bit as to how much work the new part adds to what we had submitted some weeks ago.

The Chair (Mr. Norm Miller): Yes, and thank you for that. I think you are correct in that it is essentially another audit; the amendment is another audit. Auditor General?

Ms. Bonnie Lysyk: To be honest with you, I'd have to sit back and have some discussions in the office around some of this. Some of what's requested in the new motion, I think, might have been covered under some of the work that was done on the renewable energy audit report that was put out before. I think, basically, I'll maybe need to discuss this a little bit more in the office in terms of the level of work. Having said that, it is a value-for-money audit. We would be able to do it. I just need some more discussion back in the office, I think, around it if it's a new motion.

The Chair (Mr. Norm Miller): Okay. Thank you for that. Are we ready to vote on this?

Mr. John O'Toole: I have just one more comment: I do believe it's very much connected. I really think the long-term energy plan is out there being discussed and should be tabled, and the consideration of all of these things—green energy, renewable energy and nuclear energy. Then all of a sudden, they cancelled the plan, which made the whole plan that was existing—so I think it's very much related, looking into why we got into this problem of cancellation.

The Chair (Mr. Norm Miller): Okay, thank you. Are we ready to vote on the amendment? All those in favour? Opposed? The amendment is lost.

We move to the main motion. Any further discussion on the main motion?

Mr. Bob Delaney: Just a concluding comment, because I think we may be ready to vote on that as well.

The Chair (Mr. Norm Miller): Mr. Delaney, sure.

Mr. Bob Delaney: Just to make sure, Chair, that we have on the record a couple of last points: The service agreement process was used to provide the vendors, which are Westinghouse and SNC Candu Energy, an opportunity to provide detailed information on costs to construct two nuclear units at Darlington, the construction planning information on the construction in order to provide confidence to the schedule, and, of course, construction schedule. I have to reiterate again that each vendor was paid to execute the work, and it was a service agreement, not a contract. It was made clear that the issuance of a service agreement did not constitute any commitment on the part of the government to construct new nuclear units at Darlington. For the benefit of the auditor and the committee, although it is available, I'll table with the Clerk a very extensive Ontario Energy Board document that largely answers the requests made in the motion itself.

The Chair (Mr. Norm Miller): Okay. Sorry, yes?

M^{me} France Gélinas: I'm calling for a recorded vote.

The Chair (Mr. Norm Miller): Recorded vote. Okay. All those in favour of the amendment?

M^{me} France Gélinas: The motion, not the amendment.

The Chair (Mr. Norm Miller): Sorry, just the motion.

Ayes

Campbell, Gélinas.

Nays

Delaney, Jaczek, MacLeod, Mauro, McNeely, O'Toole.

The Chair (Mr. Norm Miller): Okay, the motion is lost.

Very well. That is, I believe, all we have to do in open session. We're going to be going into a briefing on today's value-for-money audit. We're in camera.

The committee continued in closed session at 0857 and resumed at 1231.

2012 ANNUAL REPORT, AUDITOR GENERAL: EDUCATION OF ABORIGINAL STUDENTS MINISTRY OF EDUCATION ALGOMA DISTRICT SCHOOL BOARD KAWARTHA PINE RIDGE DISTRICT SCHOOL BOARD LAKEHEAD DISTRICT SCHOOL BOARD

Consideration of section 3.05, education of aboriginal students.

The Chair (Mr. Norm Miller): I'd like to call the committee to order and welcome Ministry of Education staff and also representatives of Lakehead, Kawartha and Algoma district school boards. You have up to 20 minutes for a presentation, and perhaps you could start by all introducing yourselves for the benefit of Hansard and committee members, please.

Ms. Mary Jean Gallagher: Okay, let me begin with the introductions. My name is Mary Jean Gallagher. I'm the assistant deputy minister of the student achievement division in the Ministry of Education.

Ms. Alayne Bigwin: Good afternoon. I'm Alayne Bigwin. I'm director of the Aboriginal Education Office for the Ministry of Education.

Ms. Mary Jean Gallagher: And on my left.

Mr. Rusty Hick: Good afternoon. My name is Rusty Hick. I'm the director of education for the Kawartha Pine Ridge District School Board.

Ms. Catherine Siemieniuk: Good afternoon. I'm Catherine Siemieniuk, and I'm the director of education with the Lakehead District School Board.

Ms. Lucia Reece: Good afternoon. I'm Lucia Reece, director of education for the Algoma District School Board.

The Chair (Mr. Norm Miller): Welcome. Go ahead with your presentation.

Ms. Mary Jean Gallagher: All right. Thank you very much, Mr. Chair.

Good afternoon to the members of the committee. First of all, as you know, our deputy is unavailable today because of the passing of his father last evening. He did pass on some comments for me to share with members of the committee today. This is in his voice:

"As the former assistant deputy minister for student success and Deputy Minister of Children and Youth Services, I've seen what happens when we're not there for our aboriginal children and youth and what we can do when we are there. Despite more focus and more resources than ever, we must do more. I can assure this committee that you have the commitment from the Ministry of Education and myself personally that we will expedite the sharing of successful evidence-based practices and instill a greater sense of urgency in the education sector not to let these children and youth down.

"Once again, I apologize for not being there, and I will now let Mary Jean and the directors deliver their remarks."

Moving now into my own voice rather than our deputy's: My name is Mary Jean Gallagher, as I said. I'm the chief student achievement officer of Ontario and assistant deputy minister in the student achievement division. With me today is Alayne Bigwin, who is the director of the Aboriginal Education Office, and three of our colleagues from the field, whom you've been introduced to earlier.

I would like to begin by thanking the Auditor General for the valuable recommendations on how to enhance the outcomes of our aboriginal education strategy. I'm pleased that the Auditor General shares our commitment to improving educational outcomes for aboriginal students.

I appreciate the time the Auditor General has taken to review the ministry's activities in aboriginal education to inform the five recommendations. The ministry has taken these recommendations very seriously. We're using the Auditor General's report and subsequent discussions to inform how we improve aboriginal student achievement even further.

As you know, addressing the education attainment gap is a top priority for the government of Ontario. The Ministry of Education is committed to raising the bar and closing gaps in student achievement. We want to ensure that all aboriginal students in Ontario have every opportunity for success and to reach their full potential. We also want to ensure that all educators and students build greater knowledge and awareness about aboriginal histories, cultures and perspectives.

I'll begin by providing you with a brief overview of the aboriginal education strategy, and then I'll move on to a review of the audit findings and indicate the progress we've already made since the report was published.

More than ever before, we are taking both a proactive and comprehensive approach to improving academic outcomes for all aboriginal students.

In 2006, the Aboriginal Education Office was created to provide ministry-wide leadership on aboriginal education issues and initiatives. We do this by working in collaboration with aboriginal communities and organizations, school boards, post-secondary institutions, other ministries and the federal government.

In 2007, the ministry launched its Aboriginal Education Strategy with the release of the Ontario First Nation, Métis, and Inuit Education Policy Framework. The framework provides the strategic policy context within which the Ministry of Education, school boards and schools are working to improve the academic achievement and learning outcomes of the aboriginal students who attend Ontario's provincially funded elementary and secondary schools, and to raise the awareness and knowledge of all students about First Nation, Métis, and Inuit peoples' cultures, histories and perspectives.

Significant work has been done since the release of that Ontario First Nation, Métis and Inuit Education Policy Framework in 2007. During this time, relationships with school boards, schools, parents, teachers and aboriginal communities and organizations have become stronger. Activities have enhanced targeted supports for students and educators, and knowledge and awareness of First Nation, Métis and Inuit histories, cultures and perspectives have increased throughout the provincial education system.

In the framework, the ministry made a commitment to release a progress report every three years. The ministry released the first progress report, *Sound Foundations for the Road Ahead*, in 2009.

In December 2012, the ministry released a preliminary report, *Continuing the Journey*. This document served as a tool for dialogue and invited input from all of our partners in education into the second progress report and the development of an implementation plan through to 2016 and beyond.

This past August, the ministry released the second progress report, entitled *A Solid Foundation: Second Progress Report on the Implementation of the Ontario First Nation, Métis and Inuit Education Policy Framework*. The report highlights the framework implementation successes to date, and identifies priorities for continued framework implementation and next steps for advancing the critical goals of Ontario's Aboriginal Education Strategy.

The second progress report also includes Ontario's first baseline data on aboriginal student achievement, for the 2011-12 school year. This valuable information is based on voluntary, confidential aboriginal student self-identification.

While the six years since the launch of the strategy and the framework have seen many accomplishments, I realize there's much more work to do. Many First Nation, Métis and Inuit students are excelling academically, and we will continue to support them in their success.

However, preliminary analysis of this new data reveals a persistent achievement gap between aboriginal students and all students. The ministry is committed to continuing to provide the support needed to help students who are struggling and close that gap.

I would like to now focus more specifically on the findings of the Auditor General and highlight our plan of action and the progress we've made to date. You have before you a status report that describes the ministry's completed and planned undertakings with regard to the auditor's recommendations. I trust that this provides confirmation that we've given thoughtful attention to the auditor's report. We have taken concrete steps to address all five recommendations.

But what is also important to note is the ministry's commitment to continue this work. Our work in this area has been and will continue to be an ongoing priority as we work to pursue a path that builds on demonstrated success as a result of partnerships in support of First Nation, Métis and Inuit students across the province.

I'd like to begin by addressing recommendations numbers 2 and 3, and then move on to the remaining three.

The ministry recognizes the need for accurate and reliable sources of data about aboriginal students attending provincially funded elementary and secondary schools. In 2006, less than 10 school boards and school authorities had approved aboriginal student self-identification policies in place. As of April 2013, we now have all 72 boards and four school authorities with self-identification policies.

In October 2009, the ministry implemented the collection of aboriginal student self-identification data, through OnSIS, from boards with policies in place. Data collected through OnSIS enabled the creation of Ontario's first educational baseline data set for aboriginal students.

Preliminary October 2012 data shows that 70 school boards had reported self-identification data to the ministry and 28,079 students have been self-identified. This is an increase from 8,684 self-identified students in 2009 and represents approximately 44% of the estimated aboriginal student population, up from just 14% in 2009.

This signifies a great deal of progress in a short period of time. To get here, the ministry has supported relationship-building at the local level and encouraged the building of trust among aboriginal students and families by providing the information they need when choosing to voluntarily self-identify.

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With regard to recommendation number 2, the ministry will continue to support voluntary, confidential aboriginal student self-identification efforts across the province. This work will focus on:

- policy development and implementation considerations related to the collection of aboriginal student self-identification data;

- planning and implementing community engagement around self-identification;

- increasing opportunities for professional development for boards and school staff; and

- sharing best practices on using the data to support targeted strategies.

As well, the ministry will move forward on a communication strategy to support all boards in strengthening their voluntary, confidential aboriginal student self-identification activities.

The ministry provides project-based funding for district school board projects outside of the Grants for Student Needs to support the implementation of the framework. Project funding can be allocated towards the ongoing development and implementation of aboriginal self-identification policies, such as community engagement initiatives around self-ID, and related professional learning opportunities for school board staff.

For 2013-14, the ministry is continuing to provide funding outside of the Grants for Student Needs towards a number of priority areas, including funding to support district school boards to increase aboriginal student self-identification data use, analysis and sharing. This year, we are allocating \$4.9 million to support board projects. To date, the ministry has funded over 1,000 board projects over several years. We know that through these targeted investments, a number of successful initiatives are in place across the province to support aboriginal learners.

For example, an aboriginal transition coordinator position was created in York Region District School Board to support students transitioning from the Chipewas of Georgina Island First Nation. As a result, the dropout rate for grade 10 students was reversed from 75% of the students dropping out by second semester to 100% retention in the second semester within the first year of the program. By the fourth year, 86% of those First Nation grade 10 students had completed 16 out of 16 credits, which is an indicator we use in Student Success/Learning to 18 to identify students who are on track to graduate on time.

The identification and sharing of these promising practices are critical as the ministry moves forward in framework implementation. Past opportunities such as the ministry's Circle of Light conferences and other board professional development initiatives have proven to be valuable in raising awareness and increasing knowledge around First Nation, Métis and Inuit cultures, histories and perspectives.

As suggested by the Auditor General in recommendation 3, the ministry released Ontario's first baseline data on First Nation, Métis and Inuit student achievement through the second progress report this past summer.

With aboriginal student self-identification data, the ministry and school boards can now continue to target strategies and develop new initiatives that will help close the academic achievement gap between aboriginal students and all other students. For example, Algoma District School Board has created academic achievement profiles for self-identified aboriginal students using EQAO data for students in grades 3, 6 and 9, and, for students in grade 10, using the Ontario secondary school literacy test. This data allows the board to identify and

assist First Nation, Métis and Inuit students who may need additional support.

The ministry agrees with recommendation number 1 of the Auditor General's report that implementation plans are necessary to support initiatives to close the achievement gap. That's why, this fall, the ministry plans to release a framework implementation plan for 2013-14 and beyond.

The framework implementation plan supports the delivery of the next implementation phase of our Aboriginal Education Strategy. It focuses on:

- increasing awareness of aboriginal perspectives, histories, languages and cultures;
- furthering the analysis, use and sharing of self-identification data;
- increasing the number of students and families that choose to self-identify;
- ensuring greater alignment and integration of ministry priorities and initiatives; and
- setting aspirational student achievement targets for self-identified aboriginal students in order to close that achievement gap.

To achieve this, a ministry-wide First Nation, Métis and Inuit student achievement steering committee and working group have been established to support the development of the framework implementation plan, inclusive of First Nation, Métis and Inuit perspectives.

The steering committee and working group, key assistant deputy ministers, directors and advisers use available self-identification data and identify and deploy student achievement initiatives targeted towards aboriginal students with the goal of closing the achievement gap.

The ministry is committed to working with our aboriginal partners and education stakeholders to support First Nation, Métis and Inuit students as we move forward in the implementation of the framework.

To engage our partners directly in this work, the Minister's Advisory Council on First Nation, Métis And Inuit Education was reconvened in April 2013. At this meeting, the minister shared the baseline data and struck a working group of representative members from the committee to provide input into the framework implementation plan. The working group is key to informing that plan, as all of our work must go forward in partnership with our First Nations, Métis and Inuit people.

I'm also pleased to advise that, as suggested in recommendation 4 of the auditor's report, the ministry has made progress in the review of existing funding mechanisms and reporting procedures. Since 2007, the ministry has provided funding to district school boards through the First Nations, Métis and Inuit Education Supplement. The supplement is projected to be \$42.8 million in 2013-14. This includes \$8.2 million to support the elementary and secondary native language programs; \$15.2 million to support native studies courses for secondary students; and \$19.4 million to support a per pupil allocation based on 2006 census data.

This past March, the ministry established an internal working group to examine the feasibility of remodelling

the First Nations, Métis and Inuit Education Supplement based on available aboriginal student self-ID data. Given the complexity of this work, the working group will continue to meet to develop options for moving forward.

The ministry has also enhanced existing templates used by boards to apply for funding and report on their projects. The new templates support an objective and needs-based approach to funding, provide increased accountability, and will allow the ministry to obtain evidence-based data from boards on the success of their projects.

The ministry agrees with the suggestions of the Auditor General in recommendation 5 to improve educational outcomes for First Nation students living on reserves. The ministry continues to engage in three separate Education Partnerships Program tables with Aboriginal Affairs and Northern Development Canada and the following First Nation organizations: the Nishnawbe Aski Nation, Grand Council Treaty 3, and the Association of Iroquois and Allied Indians/Indigenous Education Coalition.

On April 9, 2013, the government of Canada, government of Ontario and Nishnawbe Aski Nation signed a historic memorandum of understanding on First Nation education. Through this agreement, Canada, Ontario and the Nishnawbe Aski Nation are working together to improve educational outcomes for Nishnawbe Aski Nation students in both First Nation-operated schools and provincially funded schools. Key work plan activities include the delivery of regional forums to promote student engagement, professional development opportunities for First Nation education directors and the development of a guide to improve communication between parents and students.

In addition, the ministry, in collaboration with the Chiefs of Ontario, launched an e-learning pilot project in September 2012. The project provides selected First Nation communities with access to the Ontario Educational Resource Bank, an online repository with over 31,000 digital learning resources linked to the Ontario curriculum.

The Ministry of Education has also, in collaboration with the Chiefs of Ontario office, Aboriginal Affairs and Northern Development Canada, and the Ontario Public School Boards' Association, developed a tuition agreement guide. The resource guide was created to assist district school boards and First Nation communities in discussions regarding tuition agreements and was released in September 2013. Regional information sessions will be held in the fall of 2013 and the spring of 2014 to provide an opportunity for First Nations communities and district school boards to review the final resource guide and discuss best practices in developing successful agreements.

We've achieved a great deal of success. Great strides have been made in the collection and use of aboriginal student achievement baseline data; relationships have been strengthened across the sector; knowledge of First Nation, Métis and Inuit histories, cultures and perspec-

tives have increased; and targeted supports are in place to support aboriginal learners. But I know—we all know—there is much more work to do.

The Ministry of Education remains committed to ensuring that every First Nation, Métis and Inuit student has every opportunity for success and will continue to work in collaboration with district school boards, First Nation, Métis and Inuit partners, and other education stakeholders to build on those successes to date.

Student achievement initiatives specifically have been targeted to support First Nation, Métis and Inuit students in two priority areas: first of all, to increase the understanding of all students with regard to First Nation, Métis and Inuit cultures and histories, because this is our culture and history as well, as citizens of Ontario, and those are important steps to creating the environment for our aboriginal students of acceptance and celebration of their histories; and secondly, to close the achievement gap for First Nation, Métis and Inuit students.

To close this achievement gap, the student achievement division, working in partnership with the Aboriginal Education Office and local school boards, is currently supporting a number of initiatives and activities with two main foci: first of all, to embed an aboriginal education focus into all of the various successful strategies that our division and school boards already use to improve teaching and learning. We have a huge track record of success—

The Acting Chair (Mr. John O'Toole): About a minute and a half left.

Ms. Mary Jean Gallagher: Pardon?

The Acting Chair (Mr. John O'Toole): About a minute and a half left.

Ms. Mary Jean Gallagher: All right. That's good. Thank you—and secondly, to implement specific targeted programs and research designed to address the achievement gap for those students.

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My colleagues from the three school boards selected by the Auditor General are here and will now take a moment to make some remarks to share their work.

Mr. Rusty Hick: Good afternoon. My name is Rusty Hick.

In the Kawartha Pine Ridge District School Board, we're proud to serve almost 33,000 students in 90 schools spread across 7,000 square kilometres, covering the city and county of Peterborough, Northumberland county as well as the municipality of Clarington, in Durham region.

Within that population of students, we currently have 740 students, or 2.24%, who have self-identified as being of First Nation, Métis or Inuit heritage. We also serve three First Nation communities. We serve Alderville First Nation, which is on the east side of Rice Lake; Curve Lake First Nation, on Buckhorn in Peterborough county; and Hiawatha First Nation, which is on the north side of Rice Lake in Peterborough county. We currently have 200 tuition-paying students from those three communities.

Further to our context, the largest of these three is Curve Lake First Nation, which has its own school for kindergarten to grade 3 students. In grade 4, the students transition into our system at Ridpath Memorial Junior Public School in Lakefield.

As a board, we have long recognized the importance of our First Nation partners and indeed all of our students of aboriginal heritage. Since the inception of the Kawartha Pine Ridge District School Board in 1997, we have had one of our board trustees selected on a rotating basis by the three First Nations, and we have a board advisory committee for aboriginal issues.

In our education centre in Peterborough, in the main foyer, we have, as a focal point, original art from our First Nation partners, visibly emphasizing our commitment to honouring aboriginal peoples.

The advisory committee is chaired by our First Nations trustee and has representatives from each of the three First Nations—

The Acting Chair (Mr. John O'Toole): I just might want to interrupt, and I apologize as well. The understanding of the 20 minutes of the introductory remarks has been exceeded—not to cut you off. I think the suggestion from members of the committee is perhaps that, during your response to questions, you could outline your board's background and connection with the issue before us so that there is time for committee members' questions. I appreciate your input. In your responses, you can fill in the blanks.

With that, perhaps it would be appropriate now—the normal round of questioning will be 20 minutes allocated to the opposition side. The Chair recognizes Mr. Miller.

Mr. Norm Miller: Thank you, Mr. Acting Chair.

Thank you for your presentation. Perhaps we could get—the comments you were going to make, maybe we can get those in print form so that we don't miss out on them.

Mr. Rusty Hick: Certainly.

Mr. Norm Miller: Unfortunately, we don't have a huge amount of time this afternoon.

I guess I'm going to start off with the policy plans and performance measures, because I guess it's my impression, having read the auditor's report, that there are some significant goals that have been set, including closing the gap in aboriginal education levels, achievement levels and graduation rates by 2016. It doesn't look like we're going to achieve that goal that was initially stated a few years ago. It seems to me that part of the reason is that there were kind of general goals set but nothing too specific. But then, a few years back, you put out three goals and then 10 very specific performance measures. I'm wondering how you're progressing with those very specific three goals and the 10 performance measures.

The three goals were high levels of student achievement, reduced gaps in student achievement, and high levels of public confidence in public education. The performance measures: I'm sure you're probably familiar with them. That seems to me to be the right approach to actually be able to know that you're making progress. So if you could talk about that, it would be appreciated.

Ms. Mary Jean Gallagher: Thank you, and my apologies for the confusion about the introductory time.

First of all, the three goals: The first goals that you mentioned are, in fact, the three goals that have been in place for the entire Ministry of Education since 2003-04. On the whole, with all of our students across Ontario, we have been significantly successful in the goals and the measurements that have been associated with those, so much so that our EQAO test results have moved from 54% to 71% of the students in Ontario meeting provincial expectation in that decade, and from 68% to 83% of our students graduating in that same period of time. We are, in fact, recognized worldwide for the success of our student achievement initiatives and reform.

Of course, the problem in aboriginal education is that in order to set specific targets to measure achievement along all of those 10 indicators, we first have to be able to reliably identify who the aboriginal students are in our schools. Quite honestly, the history of aboriginal education in our province and all across Canada, we all know, is not one that is supportive of having our aboriginal people identify themselves and their children in our schools. To make progress in this area, to be able to make those specific measurements of gains in student achievement, we have to first get a large enough cadre of our students in our schools to self-identify.

In my view, the history of attempts to try to improve educational outcomes for aboriginal students is littered with examples in which, from a government perspective or a community perspective, with possibly all the right intentions in the world, things are done to our aboriginal students and communities rather than done with them.

Our work, up to this point in our aboriginal education strategy, has been very diligently and energetically focused on trying to build a strong enough relationship not only between the Ministry of Education and aboriginal nations but, even more importantly, between school boards and their local First Nation, Métis and Inuit communities so that the necessary trust and understanding of how we could work together can be built.

We can identify who the students are in our schools, and only then can we actually start to measure our progress in having things move along better.

Mr. Norm Miller: On the self-identification piece of this, then: In the ministry's initial response, the ministry committed to discussing the feasibility of development of a policy guideline for voluntary staff self-identification. What's the status of that commitment?

Ms. Mary Jean Gallagher: The status on that commitment is that it is moving forward on a very uneven front as school boards are ready. Given the relationships within school boards and staffing and teachers' unions and staff representational groups, we need, again, to build an understanding of the culture and the understanding of the need and the advantage of doing this.

Perhaps some of my colleague directors could talk to you about that.

Mr. Norm Miller: On the self-identification question, some school boards have been very successful, I under-

stand. In fact, one board, I believe, had 100% identified. Others are not doing near as well. I think the complaint from some of the school boards was that they could use more assistance from the ministry on that. I'll let you address that in a minute—

Ms. Mary Jean Gallagher: Perhaps our board representatives can speak to that, as well.

Mr. Norm Miller: Sure.

Ms. Catherine Siemieniuk: I just wanted to assure the committee that the self-identification of students is an ongoing process. At Lakehead District School Board, 20.3% of our students self-identify. We're a board of approximately 9,700 students. We're a small board. We serve the city of Thunder Bay and the surrounding areas, and, in 2009, we added the community of Armstrong and the settlement of Collins. Last year, we were also approached by Gull Bay First Nation to offer provincial education to their students. So it's an ongoing process. Part of that process is annually reaching out to new registrations, JK parents in particular—but also, through our student verification system, to have parents update their self-identification process. So it is an ongoing campaign.

In addition to that, in May 2013, trustees approved a policy to have staff self-identify. That was based on feedback that we got from our communities as well as from our aboriginal education advisory committee, which this afternoon I will refer to as EAC, respectfully. That will be fully implemented this year, and it's really for us to know. We can't guess how many aboriginal staff members we have. We know that part of the success in aboriginal education is ensuring that students have role models.

Mr. Norm Miller: Did you say 20% of your students—

Ms. Catherine Siemieniuk: Yes, 20.3% of our students self-identify.

Mr. Norm Miller: So does that mean 80% of the aboriginal population did not—

Ms. Catherine Siemieniuk: I'm sorry, I misrepresented that. So 20.3% of our student population self-identifies as aboriginal.

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Mr. Norm Miller: So do you have any idea whether that's the entire aboriginal population, or what percentage of the—

Ms. Catherine Siemieniuk: StatsCan data says that it should be around 15%, so we believe that we've exceeded what the StatsCan data is.

Mr. Norm Miller: So you're one of the boards that has been successful, then.

Ms. Catherine Siemieniuk: We've been very successful. I might add that the Northern Ontario Education Leaders group—NOEL, we fondly call ourselves—we're really the leaders in starting that self-identification process, with a great deal of support from the ministry.

Mr. Norm Miller: If you've been successful, you obviously have some best practices. Is the ministry sharing that information with other boards?

Ms. Mary Jean Gallagher: Absolutely. Most of our student achievement work, actually, has to do with finding out where there are successful initiatives, in whatever it is we think should happen, and finding ways to mobilize that knowledge across the province.

Mr. Norm Miller: Thank you. Please continue.

Ms. Lucia Reece: I'm Lucia Reece, from Algoma District School Board, and I would just echo. We have a student population of approximately 10,283 students. We are geographically the size of Ireland, just to give you a context. Within that, we have data telling us that 13% of our student population self-identify as First Nations, Métis or Inuit. The statistics for the city of Sault Ste. Marie indicate that in our community of 75,000 it's 10% of our general population that is aboriginal.

We have 510 students from 10 different First Nations communities in the North Shore Tribal Council who pay tuition fees, and we have had our self-identification policy in place since 2007, as well. We would like to reiterate that it took time and trust in order for us to put that in place, but we do believe we have a near-100% participation rate with our aboriginal partners. Our staff are also encouraged to self-identify, and that has also been met with positive results.

As of this September, I can share that that trust continues to build, to the point where we signed a memorandum of understanding with one of our First Nations partners to share our student data on a daily basis, so that we can monitor our students' progress and academic achievement and work collaboratively to put resources where they're needed most to support the student achievement of our First Nations students.

Mr. Rusty Hick: In the quote, the Kawartha Pine Ridge District School Board has indicated that we have approximately 2.24% of our students who have identified as First Nations, Métis or Inuit. StatsCan would suggest we would be in the neighbourhood of 2%, so we think we're somewhere close to being fully identified. However, the ongoing efforts are there.

When the first policy was adopted, we put together a number of efforts, including a television commercial which we're quite proud of; we locally aired it, on CHEX. We had newsletters go home and we had three events that we called "gatherings." We brought together elders of the First Nations in celebration of First Nations, Métis and Inuit heritage. We had speakers. We had a pretty good turnout for those.

We've also trained our front-line staff—all of our secretaries in our schools—with respect to approaches to how to encourage people to self-identify. Our numbers for self-identification over time have gone up, from 480 students in 2010-11 up to, currently, 740 students. That's in a context of declining enrolment, where we've gone down several thousand students over the same period of time, so the number of self-identified students have gone up.

So we believe that we have been successful, but I would echo my colleague's comment that it is an ongoing effort, and at times it is a challenge. I will point out that

even members of our First Nations who are tuition-paying students don't always self-identify, for some of the reasons outlined earlier: the historical mistrust, in some cases, of organizations and systems that are beyond the First Nation itself.

Ms. Mary Jean Gallagher: If I may just briefly add to that, overall, over the last three years of intense work on this, we've moved from 14% of the estimated population attending provincial schools in 2009 to approximately 44%. That is, actually, quite a strong accomplishment, particularly in light of the fact that we know that aboriginal children and youth are the fastest-growing population in our province. The baseline of the group that we're trying to have self-identify keeps increasing, just as we keep trying to increase the number who self-identify.

Mr. Norm Miller: Thank you. I noticed in your report—I think it's the second one, A Solid Foundation—that you used to have on-reserve and off-reserve students separated, but now you've grouped them together. I'm just wondering about why you've done that. I would assume there's more challenge for on-reserve students. Would this not obscure the information you're going to get from your work?

Ms. Mary Jean Gallagher: The report itself, I think, has some places where it does bring those populations together. We still maintain desegregated data sets, however, for those students. There are differences and different challenges to addressing the needs of those groups. The challenges in particular for those groups that are on the federal lands, of course, are that, ultimately, the education of those students is the responsibility of the federal government. That's how we end up in these tripartite negotiation discussions in terms of how we might be able to deal with that differently.

Mr. Norm Miller: The transition from on-reserve to the public system is a real challenge, I'm sure, for many aboriginal students. Do you have specific programs that are in place to try to meet those challenges? In the report I think it said that many of the aboriginal students were two or three grades behind, and I'm sure there are other challenges as well.

Ms. Mary Jean Gallagher: Yes.

Mr. Norm Miller: Do you have some specific programs to try to assist with that?

Ms. Mary Jean Gallagher: The challenge for students moving off-reserve to on-reserve—of course, in many cases students move back and forth several times over their school career between schools on-reserve and off-reserve. You're absolutely right: The transitioning of those students to another school in another system is very difficult. It's exacerbated by the fact that many of these students attend their on-reserve school for most or all of their elementary school education and then actually not only have to change school systems but have to move away from home and live on their own or with another family or whatever in a larger community in order to attend secondary school. That's a difficult transition, as I'm sure you would understand, for any 13-year-old and

their parents who would be sending them off to that environment.

We have a number of programs. First of all, I would say that one of the programs is in fact that which we described as building an understanding, among all of our students and staff, of the history, perspective and culture of our aboriginal students. There are a number of surveys and studies that have been done that identify that these kids move to another community and, quite frankly, they face various levels of racism in the community, in terms of the environment in which they are. The ministry has, in fact, funded a number of these projects I spoke about earlier, and the boards have taken us up on that funding and put in place a number of things.

I'm going to talk about one in particular that I'm familiar with from my student achievement division and then ask the directors to speak to that. One of the programs we have in the student achievement division is a students-as-researchers project. It's part of our Speak Up analysis in our Student Success Learning to 18 portfolio. We identified kids from school boards all across the province who we brought together for a day, and the full Ontario education research conference. These are students from all different levels of ability and interest who come and are trained on how to do research, and then they attend the educational research conference with school board researchers and university people.

One example is a young gentleman named Curtis from Ontario North East school board. He was one of these grade 11 students, or grade 10, I think at the time he came, who we trained in research and we supported and the school board supported his doing a research project in his school. Curtis was an aboriginal student who lived on the reserve and had made that transition to high school. Quite frankly, he was finding it not to be a very successful experience. Curtis decided that the research project that he was going to do with a group of students from his school was to sort out what the challenges and barriers were to students like him coming from the reserve to the school, to identify those challenges and then try to identify some things that the school and the school community could do to help. He produced an absolutely amazing research report.

This is a kid whose marks and success in school prior to this were not all that great. He produced this amazing report where he and his fellow students identified things like isolation, moving away from home, the culture shift, the racism in the community, the sense of not belonging to the school etc. He took that back and presented that to his school administration.

I just bumped into Curtis, actually, as part of our ministry visioning exercise as I was travelling around the province, and the school now is assisting Curtis. The elders in his community are working with the school, and Curtis and several of his fellow students have started a transition support group for students coming from his reserve to the high school.

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They also, for the first time ever, sponsored a one-week residency program at the end of August at Nipis-

sing University, where the kids who are in grades 7, 8 and 9 would come together, get to know each other and be ready to support each other in the transition.

Those are the kinds of local initiatives that start by, again, working with members of the community. I'm sure the board of directors will have other things to tell—

The Acting Chair (Mr. John O'Toole): You have about one minute left on this round.

Ms. Mary Jean Gallagher: Okay. Go, Cathy, quickly.

Ms. Catherine Siemieniuk: I have a number of things I'd like to say, but I will start with saying that it's respectfully about relationships with First Nations communities. As the Lakehead District School Board, we have not only had meetings with education councillors, but we visited communities to be a presence in those communities to ensure that that transition—that you meet the parents face to face and understand the reality.

We have 252 tuition-fee-paying students in our system, and that's from 17 different First Nations communities, some of them organized by education councils. In addition to that, we have our own YouTube channel, where we have a video. We have, through project funding from the ministry, ensured that we have a project called Tutors in a Cultural Environment, which provides a safe space for students.

Speaking of sharing, we found that out because of a sharing opportunity that we had through the ministry. We followed up, with Queen Elizabeth, actually, in Sioux Lookout, found out what program they had going on, and we've replicated it through project funding, first in one school and then in all of our secondary schools—and you're not going to let me finish.

The Acting Chair (Mr. John O'Toole): Very good. I'm sure in the next turn we'll have time. The Chair recognizes, from the NDP, Ms. Campbell.

Ms. Sarah Campbell: Do you need a few more seconds to wrap up your thought?

Ms. Catherine Siemieniuk: I'd like to talk a little bit further about the tutors at Tutors in a Cultural Environment. As I said, we started that with project funding. We visited Queen Elizabeth in Sioux Lookout. We found out how that program was working and how it was supporting transitioning students from First Nation communities. We were able to replicate that in all of our secondary schools. It really is to provide that caring space for students that are coming out from remote First Nations.

This year, we're including technology so that students are able to Skype with their parents. That tutor is a caring adult. They help the child. They track the child as far as success in school and success outside of school, and in addition to that, really provide that connection back to the community. I think it's that opportunity for us to learn from other boards through opportunities to be had, not only from the ministry, but NOEL itself, I said, again, has opportunities to share those and then to personalize it for our system.

Ms. Sarah Campbell: Thank you. I have a question for Mary Jean. Has the ministry developed a full imple-

mentation plan for the Ontario First Nation, Métis, and Inuit Education Policy Framework? And what are some of the challenges that the ministry has had in setting up this framework?

Ms. Mary Jean Gallagher: First of all, the plan is still in development. From a student achievement point of view, I never believe any of our implementation plans are finished, because we go out there the first year and we implement and then we work with our partners to figure out what we need to do to refine and nudge things along.

One of the biggest complexities, I think, in being able to put that together and roll it out across the province is the need to do that in partnership with our First Nations, Métis and Inuit communities. One of the things that makes Ontario different from most other provinces in Canada is the huge number of different First Nations communities that we have to deal with.

In BC, there's sort of a gathering of the five or six communities, or nations, into one education agreement with the provincial government, which means you've got a partner that you can talk to and you know who that's going to be. The challenge here is we have 133 First Nations communities, or nations, alone that we have to work with in order to move forward. So part of the difficulty—I'd say the biggest challenge—we have to that implementation plan is how you speak on an equal and partnered basis with 133 different nations in a way that allows you to move forward.

It's critically important. The way we overcome that, I think, is through that on-the-ground relationship-building with school boards, because everything I know, as a long-term educator who has led student achievement in this province for the last five or six years is that you change outcomes for kids by changing the experiences children have in their own communities, in their own schools, in the classrooms they attend. To do that, we have to work really respectfully with 72 school boards, four school authorities, 5,000 schools and their staffs, and 133 First Nations, trying to fit that dance together before we go forward and say, "Okay, here's the plan."

We've done a lot of work in support of that implementation plan. The pieces of it, I think, are coming together very well. Some of the early pieces of it that we can implement out there and get started on, because it's an urgent issue, we've been working on, but to actually be able to say, "Okay, here's the plan" and announce it publicly, we've got to coax all of that discussion to take place. Quite frankly, our history all across Canada, in terms of my reading in aboriginal education, is that we eternally don't take the time to build those relationships and partnerships, and we end up in a place where we've failed once again, and we can't afford to do that anymore.

Ms. Sarah Campbell: The ministry has said that 40 out of the 72 school boards in Ontario had included an aboriginal education component in their improvement plans, but that the ministry did not have a formal process in place to review the plans. Is a formal process to review in place now?

Ms. Mary Jean Gallagher: Absolutely. As a matter of fact, the ministry, through the student achievement division, has had in place an ongoing process for reviewing board improvement plans for students in general. We have student achievement officers who meet with school boards twice throughout the year, and we actually are in ongoing communication with them about their ongoing targets and goals for student achievement.

The piece that I think has been missing until we had that baseline data was the ability to have a really deep conversation with boards with regard to aboriginal ed and what they were trying to do there, because we didn't have the baseline data.

In fact, this year, starting in the meetings of my staff and boards called BIPSA, board improvement plan for student achievement meetings, there are two specific questions around which my staff have been instructed to engage in a discussion with school boards. The first is: How are you working with your community to increase knowledge and understanding of all staff and students about your local-area First Nation, Inuit and Métis communities' histories, cultures and perspectives? The second question my staff are asking every school board is: What steps, current and future, are in place to close gaps where they exist for First Nation, Métis and Inuit children and youth?

That discussion will be more robust in those school boards that our self-identification data tell us have larger numbers and/or proportions of First Nations, Métis and Inuit students. So there is absolutely a process in place now for tracking that.

M^{me} France Gélinas: Just in follow-up to this question, we were told by the Auditor General that a lot of the programming that has been actually rolled out in the different schools and school boards has not been specifically evaluated, as in: Are they helping to achieve the goal of closing the gap, of keeping kids in school etc.? Are you telling us that new endeavours have happened, where you actually look at, of the different programs that have been funded by your ministry, do we now know if they help in the achievement of our goals?

Ms. Mary Jean Gallagher: Our ministry has a long and successful track record in tracking our student achievement initiatives to see if they're successful or not. Every item of work that we've done in the last eight or 10 years in student achievement has been about saying, "Here's an initiative or a program. It's operating in these boards. How do the results for these students compare?"

The challenge in working with aboriginal students is that without that baseline data—if you only have 10% of your students identified, you really don't have a large enough group of kids to be able to make judgments about—that are a statistically significantly large enough group of kids—to be able to make legitimate evaluations of your programs. The first step in getting to that point where we could actually evaluate these initiatives as they were going forward was having a large enough group of aboriginal students who were identified and therefore who we could then track to say, "What's this group of

kids' trajectory? Is it better than it was before we started putting our programs in place?"

We don't have those evaluations in place for every program. We have evaluations in place for many, many of them. I would say to you that one of our big successes in Ontario education reform has been building a culture in school boards of really deep attention to evaluation, evidence and data.

I don't know whether my colleagues here would like to add anything to what I've said.

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Mr. Rusty Hick: It's Rusty Hick. I would echo that, in that our First Nations, Métis and Inuit self-identified population has gone up, as has their student achievement as measured on EQAO results. We have seen an improvement in student achievement objectively measured. We still, as Mary Jean identified, have a gap that we're constantly working to overcome.

We also look at some measures that are not student achievement measures, but the number of times teachers take out the resources that are there to support First Nations, Métis and Inuit students. We've augmented our libraries and our central resources, and the number of times that teachers are accessing those resources has gone up over that same time where we've seen a rise in student achievement. So those are measurables.

We've also provided in-service professional development for teachers in every one of our schools on our First Nations at one of the three communities over time, where we've had the support of local elders and speakers from the community who have raised that awareness and helped that overall sense of belonging, respect and trust that our First Nation partners—and I say "First Nation" because they are the predominant group within our jurisdiction; we also have Métis representation on our committees and so on. But that increase in support, trust and respect has benefited those students, and we can measure that.

Ms. Sarah Campbell: There is a lot of mention in one of the tables that's included in the Auditor General's report—on page 133; I don't know if you have it handy, but the table is titled "Ontario First Nation, Métis and Inuit Education Policy Framework Goals and Performance Measures." There's a lot of mention of the word "significant" in terms of performance measures. In fact, Mary Jean, you also mentioned that the programs have been "significantly" successful in your remarks. My question is, can you define what "significant" is?

Ms. Mary Jean Gallagher: As a specific numeric number, no, but what I would say about that is that our experience in raising the bar and narrowing the gap for other student achievement groups tells us that often, our progress starts more slowly. Even in the overall raising of the bar across the province, our gains in the first few years were a couple per cent. It gets more difficult as you start to get up into the higher levels. But schools increasingly come on board. The focus becomes intensified, and deeper work starts to happen as we go along.

The goal, I think, is equity. These students are capable of learning as well as any other student in Ontario, and

we need to get them there. To me, "significant" is perhaps not a one-year measure. We know in our work that schools can go up and down in their performance in any given year. What we like to see is a good, steady northeast movement of the curve so that we know, over time, they're making gains.

We do still take seriously the goal of trying to hit those targets by 2016. We may not hit them, but we had better be moving in the right direction quite rapidly, would be what I would say.

Ms. Sarah Campbell: Further to that, on page 134 of the auditor's report, she mentions that "to assess the aboriginal education planning process at the school board level, we reviewed the improvement plans for the past three years at the three boards we visited." Basically, it was determined that "one of the boards made no reference to aboriginal education." Another one listed some "aboriginal cultural activities and events," and the third board "set specific targets that focused on aboriginal student achievement, one of which was to increase by 10% the number of aboriginal students who were successful on the Ontario secondary school literacy test."

My question to the ministry is, do you think that a 10% increase is appropriate?

Ms. Mary Jean Gallagher: It would be a good start.

Ms. Sarah Campbell: Is it an appropriate target?

Ms. Mary Jean Gallagher: Actually, it probably is an appropriate target. I think it has to be one, though, that a board sets in partnership with its own First Nations community. That kind of conversation needs to take place at that level.

I would tell you as well that in the Auditor General's report, as I reread this section in the last few weeks as we were preparing for this, it was really clear to me the kind of distance we've covered in this period of time. We're now at a point where my staff going out and talking to boards about their improvement plans will expect to see an aboriginal goal in an improvement plan for any of the boards that have a larger percentage or larger number of aboriginal students. We've identified that that's probably in the neighbourhood of about 27 of our district school boards who we think really should be definitely, without exception, coming forward with an identified goal for their aboriginal students and moving from there.

It's not really easy for boards to set that goal until they actually have baseline data and they look and they say, "Here's where our kids in our board are, all of the kids. Here's where our First Nation, Métis and Inuit students are." If our goal in the long run is to close that gap in X number of years, then we need to set a target that says we're going to get X per cent a year moving along.

I don't know whether my colleagues here would like to say anything more to that.

Mr. Rusty Hick: It's Rusty Hick. I'll make one comment. It's very contextual. The diversity between the First Nations is large, and then the experience of the urban aboriginal population is very different from some of the other, perhaps, members of a First Nation who live on a First Nation. So when we look at an overall statistic

of a rise of 10%, which is an admirable goal over a period of time, we may be talking about a school, for example, that has one student who is self-identified and another school that may have 30 or 40. So it's very different in the context, and their approach would be different.

Again, I echo my colleagues who spoke to the importance of the relationship. I will point out that the education managers, when you're dealing with a First Nation in our context, are incredibly important and capable individuals who work for the First Nation, who work with us and track every tuition-paying student. But again, that's not talking about those who may be in an urban setting who self-identify. It's a very different approach, depending on your local context.

Ms. Sarah Campbell: Absolutely. I think the concern is, too, that the minister and the government are taking the position that they want to close the gap by 2016, so just an increase of, say, 10% may not get us there in the next three years.

In terms of assessing the success of the improvement plans, what is the ministry doing to ensure that aboriginal components that are already included in the improvement plans are successful? How is the ministry going to be measuring those?

Ms. Mary Jean Gallagher: Well, actually, I'm glad you asked that, because I was trying to get back in to talk a little bit about that.

We do an ongoing assessment of all of our student achievement initiatives. For instance, the special transition programming that was being asked about earlier includes those parts of our student achievement programs that we already have in place, and we focus some of them and try to recruit, as appropriate, self-ID'ed aboriginal students into them.

So one of our programs, for instance—part of our Student Success/Learning to 18—is the Specialist High Skills Major program. It is probably the crown jewel of our student success initiatives, and it is a program that allows students in the senior years of their secondary school to take a bundle of courses and workplace co-op credits that lead them to any one of the four pathways post-secondary. But it really allows a student to explore and become skilled very specifically in an area of interest for a future career or future study for them.

For instance, our analysis of 2011-12 data on self-ID'ed students, now that we have enough that we can start to pull that together, tell us that, on average, aboriginal students in their fourth year of secondary school who were participating in the Specialist High Skills Major program earned approximately, on average, point seven more credits towards their diploma than self-ID'ed students who were not in the program. That provides evidence for us to be able to say, "Look, these kids are doing better than the kids who are not in the program. Therefore, school boards, make sure that you actually have Specialist High Skills Majors programs in place that would be of interest to these students."

So we have a number of measures of individual programs, individual approaches. We track credit accumula-

tion data. All of that robust reliance on data and evidence to make decisions becomes embedded in our work in student achievement.

Ms. Sarah Campbell: It sounds as though one of the main challenges that the ministry seems to be having right now is around self-identification. There has been some mention by Catherine of some of the self-identification campaigns that have been undertaken in the Lakehead District School Board that have been successful, like getting staff to self-identify, and also, it sounds like, approaching JK parents.

What other campaigns have been undertaken in any of the school boards across the province that have been successful, and what is the ministry doing to share that information and to help, probably accelerate, the collection of that data?

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Ms. Catherine Siemieniuk: If I might, I didn't want to leave you with the impression that that might be all that we had done. Certainly, the community consultation around why students should self-identify was probably the most critical thing that we did. At the Lakehead District School Board, through some project funding, we did hire an aboriginal partnerships officer, and her job really was to go out and outreach and help our aboriginal communities understand why this would be a good process. We promised that we would not use this data to individually target students but really use it in the aggregate to ensure that we were using our human and physical resources to support student achievement for our aboriginal people. That was one of the things.

I think my colleagues to the left and right have lots of ideas, so I'll just sit back.

Ms. Lucia Reece: Similarly, we have our welcome-to-kindergarten program, where we work with parents coming in and talk about the importance of self-identification. I can't stress enough the trust level with people understanding why we collect that data and how we use that data. In conversations with our First Nations partners, we talk about the successes that we have. We show them, we work with the data together and talk about next steps.

We have an aboriginal education committee that works throughout our board, has representation from First Nation education officers, from Métis Nation, North Shore Tribal Council, the Indian friendship centre. We have our Algoma University partners and Sault College partners there as well. Collectively, we discuss and talk about strategies to encourage self-identification. It's all in reassuring people how we're going to use that data. When they can see results and we can share results and success stories—Mary Jean spoke of some; we all have those success stories in our boards as well—and when they see that we are using that data for the purpose of student achievement—and even in a board where we felt very good about initiating our self-identification policy in 2007, we've seen our numbers grow. Originally we had 904 and now we're at 1,400. So even in a board where we felt we had a good showing in the start, that confi-

dence continues to build and we see more and more people willing to self-identify.

Interjection.

The Chair (Mr. Norm Miller): Thank you. Sorry. We'll move to the government now. Who would like to ask questions? Mr. Balkissoon.

Mr. Bas Balkissoon: Thank you, Mr. Chair. I just want to clarify something that I want to understand before I get into the real meat of my questions. The Inuit and Métis students in the system—are there any schools on-reserve that are strictly for these students or are they all just in the regular board?

Ms. Mary Jean Gallagher: I was just confirming with my colleague here that the reserves we talk about are reserves for First Nations students. The Métis and Inuit students—their history does not include that of living on reserves, on federally owned land.

Mr. Bas Balkissoon: Okay, so that clarifies something. These students would have always been in the public school system.

Ms. Mary Jean Gallagher: The Métis and Inuit? Primarily, yes. Yes.

Mr. Bas Balkissoon: When we look at the data that were collected now, do we see a difference in student performance between those students and the ones who might have been on a reserve before?

Ms. Mary Jean Gallagher: We see a definite difference in the Métis data that are there. The Inuit data—to be honest, it's such a small population of students that I think it's very difficult to make those kinds of same statements. They're a much smaller population. They are doing better. Certainly our biggest challenge in terms of performance is our First Nations students, with all of the history that comes with that.

Mr. Bas Balkissoon: You stated in the beginning that we have to go through a period of time of building trust with our First Nation leaders and elders. With 72 boards doing that work with 133 groups, as you said before, how quickly do the boards share information where that trust-building has struck a good note somewhere, that you pass it to the next board so that can occur in the next set of negotiations or relationship-building as quickly as possible?

Ms. Lucia Reece: I can speak locally. Certainly we have shared across districts, and I think, more importantly, we do meet—certainly in my situation, we meet with our coterminous board when we data-share and we talk about strategies, so that we're there together. We have our conversations at the table so that we're there together.

Mr. Bas Balkissoon: How often do you meet?

Ms. Lucia Reece: It varies. This year, so far, we've met three times.

Ms. Mary Jean Gallagher: One of the things I'd say, as well, is that when we're talking about trying to share information, as much as it'll happen informally, it's not really going to happen as quickly as you want it to if you don't provide an infrastructure and a support system for it.

This goes back to an answer to a question that was asked over here as well: "What are the ministry's specific strategies for increasing self-ID, for supporting boards in doing these kinds of things?" Part of what the boards have been doing with the resources that the ministry has been providing for them, for instance, is putting together First Nations, Métis and Inuit advisory councils. There were 30 school boards in 2009. The aboriginal office was established in 2006; the first reports in 2007—so there began to be a conversation, but it started to accelerate and intensify. By 2009, there were 30 boards with First Nations, Métis and Inuit advisory councils; there were 50 in 2012; and I would suspect that if we looked, there would now be more. As well, in 2012, 64 of our 72 school boards had aboriginal education leads. That infrastructure is in place. It focuses on increasing self-ID within the boards and giving them the resources—and somebody with dedicated time—to build those relationships and lead the board's activities in doing that. In addition, that group then becomes the foundation on which we can build shared student achievement strategies etc.

As well, my division, the student achievement division, hosts regular meetings with school boards—board personnel at every level: directors, school improvement teams, board improvement teams, student success leaders, school effectiveness leads. We bring them together on a regional and, occasionally, provincial basis, with great regularity, to talk about student achievement strategies. There isn't any one of those meetings that takes place now that we are not inviting boards to reflect and also discuss student achievement improvement for aboriginal students in their community.

So there are any number of opportunities—many a month—in which staff across school boards are talking about how to get there.

Mr. Bas Balkissoon: What can we do, as a ministry, for the boards that are not yet there? And how soon can we expect them to get there?

Ms. Mary Jean Gallagher: Actually, a wise leader who mentored me several years ago told me that it was the role of the leader to comfort the distressed and to distress the comfortable. So I would say to you that part of what the ministry needs to do—and we are doing it now—is being much more systematic in our approach with school boards, and it was that that I was referring to when I talked about my student achievement staff talking to school boards right across the province as part of their formal board improvement plans.

In addition, there are regional education officers who are part of the Aboriginal Education Office, who work on a local basis with school boards.

As we've made this transition from the early stages of it being mostly about the cultural learnings among all students and staff and building that self-ID database, now that we have that data and we can actually measure what works and what doesn't work as we go forward, there is an intense interest in moving forward in those directions.

Mr. Bas Balkissoon: Okay. My colleague on the other side started out with the issue of on-reserve stu-

dents transferring to the public system. In some cases, they're one or two grades behind. What are we doing with the First Nations leaders in terms of helping them to improve their own system, so that when the students transition over to the public system, we would be getting the kind of quality students we're looking for?

Ms. Mary Jean Gallagher: A number of things. First of all, we are in those negotiations with various groups of the First Nations communities and the federal government, in tripartite discussions, and we've had some significant success, which I will invite Alayne to speak to. So part of it is that formal piece. I'll speak first to sort of an informal piece that's going on.

In those places where local boards have a good relationship built, or are building that relationship with their local First Nations communities, we're, in fact, putting the welcome mat out. When my staff in the student achievement division come in and do a workshop or a training session in a local area, we invite the local on-reserve First Nations schools to come and join us. Unlike an event where I'm able—because it's a provincial responsibility to pay for travel and all of that sort of thing—I can't do that for these nations because they have their money from the federal government to do that, and it complicates it and makes it more challenging.

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We send the welcome mat out, and I would say as well that we have observed in the last year or so an increased take-up of that invitation by a number of our First Nations schools, who will send some of their staff or their leaders to our workshops, and we give them the resources we give everyone at that sort of thing. We work with them to help them understand some of the building blocks of improved outcomes.

Alayne, perhaps you would like to speak about some of those broader, more formal government issues around engaging those schools as well.

Ms. Alayne Bigwin: I believe we mentioned earlier the MOU with Nishnawbe Aski Nation, and that is a tripartite process: Canada, the Ontario Ministry of Education and the First Nations. The Nishnawbe Aski Nation representatives are at the tables and having discussions around those types of initiatives that will support students moving from the First Nation federal education system into the provincial system.

The types of things that they're looking at are the kinds of services and support services for students moving from one system to the other, enhancing curriculum and also increasing the participation of parents. So it's really working together on those shared goals. That's an example of one of the tables at which we are at with one specific group of First Nations in Ontario.

We are also in a process with the Association of Iroquois and Allied Indians and their partner, the Indigenous Education Coalition, in southwestern Ontario—again, in a tripartite process with the Ministry of Education and Canada—exploring those opportunities to work together toward those shared goals of increasing student achievement and ensuring those smooth transitions from one system to another.

We are also working in collaboration with the Chiefs of Ontario on an e-learning project. This is where we have been working to make available the resources that are available digitally for students. A select group of First Nations began the pilot project, and now we'll work from there to make the access available to even more First Nations across the province.

We've also held a number of conferences. They've been called Circle of Light conferences. We've had three of those now. We began in 2007. At the one we held in 2011, there were over 1,000 educators, from both the First Nations federal education system and the provincial education system, coming together and sharing effective and best practices to support students.

These are some of the examples of the things that we're doing, working in direct collaboration with First Nations and the federal government.

Mr. Bas Balkissoon: In this negotiation process with our federal friends, have they sort of indicated any type of support, that they will provide additional resources to facilitate this transition improvement that we're looking at?

Ms. Alayne Bigwin: That's part of the discussions, of course. I think that the federal government is supporting the process, so the participation of the First Nations into those discussion tables.

Part of the work that we do in developing a joint action plan is to identify the resources that the federal government will contribute and the resources that we will contribute into supporting those programs and services.

Mr. Bas Balkissoon: But is the negotiation going on that they're positive in supporting this, or they're just going to be another bystander to the process?

Ms. Alayne Bigwin: No, I think both levels of government are interested and that each are partners in the process.

Mr. Bas Balkissoon: Okay.

Ms. Mary Jean Gallagher: I think it's fair to say, however, that we all know there is a significant gap between the per-student funding provided to on-reserve schools and the per-student funding that the Ontario government provides to our provincially funded schools. That makes the challenge greater. That is without doubt.

Mr. Bas Balkissoon: Okay. One other question is, in our system, the public system, you have certain teacher qualifications and standards. I believe I understand that the First Nations schools are not consistent. What are we doing to help them in their recruitment process of teachers or upgrading their teachers so that it does help the student, so when that transition process comes in, it improves the system overall for both the students and the education system?

Ms. Mary Jean Gallagher: As I've said, any of our ministry staff development programs that we've put on certainly have the welcome mat out. We've been working through our local school boards to communicate that as robustly as we can. It has certainly been communicated in the work that our aboriginal education officers do in that area.

Alayne, are you aware of any other areas of work with the schools on-reserve in that area?

Ms. Alayne Bigwin: Again, in a number of those tripartite discussions, the interest of many of the First Nation participants is to look at the whole range of components in terms of the education system. So I think, as we progress with those discussions, there will be things that centre around how we can continue to work together supporting educators from both systems.

Mr. Bas Balkissoon: Okay. I've got one last question and then my colleague has a couple. The preliminary report, *Continuing the Journey*—you released it for feedback. Are we including the parents in First Nations communities to be engaged in that feedback process?

Ms. Mary Jean Gallagher: Yes, through the communications and discussion through the school boards with their local communities and through the work with the minister's advisory council and the communication with the First Nations communities themselves.

Mr. Bas Balkissoon: Okay.

The Chair (Mr. Norm Miller): Ms. Jaczek?

Ms. Helena Jaczek: Thank you very much for outlining the ministry's activities and the local boards. I guess we all know the history of educational efforts with First Nations in Canada and the loss of trust, perhaps, that history has resulted in. But fundamentally, when this program was started in 2006, and the Aboriginal Education Office was established, it was with the shared goals of the aboriginal community. You've outlined that there are 133 First Nations, but were there not fewer people at that table when those shared goals—which presumably was increased student achievement. They were discussed within a group. Is there not some sort of leadership within the 133 First Nations to assist you in moving forward?

Ms. Mary Jean Gallagher: Actually, as I've discovered working with my colleague in this field of attempting to reach those First Nation communities, I would say to you that they do not self-organize in the ways that we would think other governing councils and so on do to the same extent. There are groupings of the nations that come together and say, "Yes, for these purposes, we are this one council." It's why those tripartite discussions are so important. The one agreement that we have in place, the memorandum of understanding that we have with the one group, involves how many of the 133 First Nations?

Ms. Alayne Bigwin: With Nishnawbe Aski Nation, it's 45,000. It's 49 First Nation communities.

Ms. Mary Jean Gallagher: So they're together in one group and we work in a tripartite arrangement there and have achieved an historic memorandum of agreement that we're very happy with. But then, we have other agreements we have to develop with other of the nations, and we're pursuing those, but then there are also individual nations that elect to go their own way. So it's a mixed grouping, as it were.

Ms. Helena Jaczek: The fundamental question: Are we sure that the 133 nations really see a value in gradua-

ting from high school—I mean, the fundamental goal of all your efforts is to increase that percentage, is it not?

Ms. Mary Jean Gallagher: I haven't spent my entire career working within the Ontario public service. I've spent most of my career working in schools and school boards. For the last five years, I've led our ministry's student achievement agenda. With 40 years of working in education, I can't tell you with any certainty that all parents who are non-aboriginal actually see the value of a high school diploma. That's one of the challenges people who are attempting to increase educational outcomes face. There are whole communities, non-aboriginal communities, in our province, where a driver's licence is seen as a bigger and more important rite of passage than a graduation diploma. It's very difficult in those circumstances, in an environment in which that's a fundamental belief, to help kids and parents understand the importance of staying in school and persisting against challenge and working hard to proceed.

I will tell you that we are quite certain that we are reaching more of those families and more of the aboriginal families with those messages. But we're not only reaching them with the messages; I think we're also working diligently to do a better job of listening to them. All parents everywhere want the best for their children. There are just different cultural beliefs around what we see as the best.

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One of the really interesting pieces that I've learned recently in our ministry's vision consultation all across the province, where we've been going and asking people, "Now that we've come this wonderful distance in improving outcomes for our students, what is it that we aspire to next for our kids in this province?"—an aboriginal leader in southwestern Ontario at one of the tables said, "Well, here's what I think education needs to think about going forward," and he looked us in the eye around the table and he said, "In our culture, we believe that every child has a gift. What are our schools doing to uncover and develop our children's gifts?"

It needs to be a sharing if we're actually going to be able to come together as adults in our communities and do what's right for our kids—all of our kids, including aboriginal.

Ms. Helena Jaczek: I guess reading the Auditor General's report, "What's taking you so long?" is kind of the underlying theme. This is where you've raised a really important issue. There are all sorts of cultural issues with First Nations, Métis and Inuit that have made it a real challenge. What I've heard is that you're certainly sharing the best practices as much as you can to ensure that school boards across the province are knowledgeable as to how to increase self-identification, but again, I presume that each of the First Nations takes a slightly different approach, because presumably, if you're in a band and your elder is telling you it's good to self-identify, that would be a very positive aspect as well.

Presumably, your experience tells you that that's happening in some places and not happening in others etc. That's a fair assumption, that it's a two-way street.

Ms. Mary Jean Gallagher: Absolutely.

Ms. Helena Jaczek: Okay. Thank you.

The Chair (Mr. Norm Miller): We're out of time, so we'll move to the opposition. Mr. O'Toole.

Mr. John O'Toole: Yes, thank you very much. It's very interesting. I remember Director Hick from the Peterborough board. It's good to see you and good to hear the information from the other directors of education who deal directly with this, perhaps, with a bit more intensity, as you described your enrolment—20-some per cent of First Nations.

I think the question raised by Ms. Jaczek is a very good question. The broader scope here is the self-identification issue. I think you said that it was voluntary and confidential, that you would not use it in any way to generalize on outcomes and resources. There are a couple of things even in the reports that we were given to read, of which we have many—I didn't get them all read, but there's a very important statement on aboriginal education in our background paper from the Auditor General. It says here on page 5:

"According to the framework, aboriginal education must be integrated into the school board planning process. School boards in Ontario are guided by the board improvement plan for student achievement." That's the template, which I know you take, as the assistant deputy, as very important. But the thing is, do they all buy into that? I think they need to spend some time, first with us as elected people, kind of listening to that—you know, hunting, gathering; they live in community; they don't own property. They have a lot, in their own, general sense, that I think are valued concepts that we could all learn from, because we're all trying to figure out who's got the most money.

But I mean that in a genuine sense. We're making assumptions that I believe are false to those who live in community, where they don't own property on reserves. They own it in community, not individually. I think that's important to realize. That's fundamentally different from ours, and I think if you were to compare comparative groups, whether it's on an income basis or whatever, some schools within the public system—the complaint is now that they can raise more money for extra-curricular activities because they're from a wealthier area, whereas in poorer areas, you could probably generalize there that the outcome is a higher failure rate.

I think we have to look at these things in a more removed manner. Responding to what Ms. Jaczek says, do they buy into the expectation here that everybody is going to pass the EQAO test, and they're going to be raving about how great it is? They're just going to be subordinated and assimilated into the general statistics about all students graduating in Ontario. It's quite a different thing.

Also—it's not a question; it's more of a statement than anything. There are 133 bands. It's pretty hard to get a consensus. I see it, even in my own riding; there's difficulty on some issues, and on other issues they have broader agreements.

Another thing, too, is that the federal government—I just want a response on this, really, perhaps from your assistant or the person sitting with you; she didn't identify what her role was directly. Reading in the report, the federal government—chapter 3 in the report said, "In February 2012, members of the House of Commons unanimously supported the education for First Nation children motion to provide the necessary" funding and support.

You have this tripartite group now. Would you say that they are embracing the equity issue? Because they've got the broader First Nation discussion going on, on lots of fronts—poverty, health and all the rest of it. Are they endorsing that plan for on-nation schools—and everybody—to get the same per-student funding that we have? All these category grants and—do they endorse it or not? Because it has been suggested in our own meetings amongst ourselves that the federal government isn't at the table. Would you say they are or they're not at the table as equal partners?

Ms. Mary Jean Gallagher: Well, they're certainly equal partners in the conversation and the discussion that takes place. There certainly has not been a commitment that the federal government is suddenly going to provide funding that's equal to the Ontario funding model for all of those schools. That statement has not been—

Mr. John O'Toole: Did they look at other provinces and, say, take an average of the provinces and territories? Maybe Ontario's level is higher. Whether that's good or bad is another discussion, but do you understand? Are they relative to other provinces? Let's look at New Brunswick. There are probably more First Nations there, really, quite honestly.

Ms. Mary Jean Gallagher: I don't think we're in a position to be able to comment on relative funding across the country of First Nation education. We could certainly send someone to gather some of that information together—

Mr. John O'Toole: Yes, that would be good to know.

Ms. Mary Jean Gallagher: —if members were looking for it.

Mr. John O'Toole: Yes, because they should get their fair share. I don't think anyone in Ontario would argue with that.

I was looking at Ontario—is this all of the money you've spent on-reserve? It's my understanding, from the brief notes I took, that there were 27,700 in off-reserve, in the public system, and 5,690 in on-reserve schools, in 118 different schools. That's a very inefficient delivery model—118 schools? They may have five or six students. They may have one in grade 1, one in grade 7—do you know what I'm saying? It's a pretty—

Ms. Mary Jean Gallagher: Well, there's no doubt that there are a number of small schools in the on-reserve category. There are a number of small schools in remote communities that are a part of our provincially funded education system, as well.

Mr. John O'Toole: That's a good start. That's really the point I'm trying to get to. When you have an in-

efficient model for delivery—because Ontario's current government has said that they want everyone to have, like, 500 in an elementary and about 1,100 in a secondary school, or at least large numbers so that they can provide all of the resources. Do they compare with the communities? Especially in northern Ontario, because it was mentioned earlier this morning about the fairness of funding for First Nations in the north.

Ms. Mary Jean Gallagher: There is no doubt that funding for First Nation schools on-reserve is less than funding for our provincially funded schools. That's absolutely an accurate statement.

Mr. John O'Toole: Who would pay for the off-reserve students who are in the north, or in remoter areas, who have to have transportation and boarding? Who pays for all that part of it?

Ms. Mary Jean Gallagher: If they are on-reserve students attending provincially funded schools?

Mr. John O'Toole: Yes.

Ms. Mary Jean Gallagher: It's paid for through a tuition agreement between the local school board and the local First Nation. The local First Nation, in effect, purchases education, because they—

Mr. John O'Toole: Where do they get the money from?

Ms. Mary Jean Gallagher: They get the money from the federal government.

Mr. John O'Toole: Under what envelope? Is it the education envelope?

Ms. Mary Jean Gallagher: It's under the First Nations funding.

Mr. John O'Toole: Okay, because those are things that, for the committee here, we don't really have a very good grasp of.

Now, Ontario, in the last five years, I believe, has spent \$170 million. Is that right? That's what the report tells us. Since 2006—

Ms. Mary Jean Gallagher: Through the Aboriginal Education Office, yes.

Mr. John O'Toole: And the audit report is telling me we're partially there in some areas. Is it good value for money, what we're doing, or do we have to look at how we're doing it?

1400

Ms. Mary Jean Gallagher: Ultimately, I would suspect the auditor would want to comment on that, but from my point of view, I would suggest that it is in fact good value for money. I would tell you that the work that has gone on since the Aboriginal Education Office came into being in 2006 has come a long, long way to building those relationships we talked about, and the importance of that to our success cannot be understated. That investment of \$170 million has gone a long, long way to supporting school boards in their local work. As we said, there are 64 of them now that have a full-time staff person who's focused on moving the aboriginal outcomes and self-ID and all of those things forward. It has gone a long way, as well, in building the kinds of intensity all across the ministry.

Mr. John O'Toole: So you think it's good value, is what I'm hearing.

Ms. Mary Jean Gallagher: It's absolutely good value.

Mr. John O'Toole: My colleague has a couple of questions, I think.

The Chair (Mr. Norm Miller): Mr. Ouellette.

Mr. Jerry J. Ouellette: To follow up on my colleague Ms. Jaczek, her comments regarding—I think she was somewhat reluctant to mention it—the impact of residential schools: Quite frankly, it will be a generational thing that will take years to realize the impact of that. ADM, do you have a full understanding of the impact of what happened with the residential schools? If you talk to Grand Chief Stan Beardy, he certainly would be sometimes willing to express the impact, in his perspective, of how it has impacted the community. Do you have an understanding of the total impact as a societal aspect?

Ms. Mary Jean Gallagher: To be honest, I believe that period of history and the things that happened in those schools are so abhorrent that I'm not sure any of us fully understand it. I do understand that one of the things that has happened as part of this, and the ministry's priority-setting in terms of aboriginal education, is that we've worked hard to do some cultural sensitivity and development and understanding development among our own staff. I did not know, for instance, until within the last year that a significant proportion, almost 50%, of the children who went to residential schools died there. They never came home.

Mr. Jerry J. Ouellette: Yes. There's a huge impact that's far more wide-reaching than what's taken place. The removal of peer figures from communities—

Ms. Mary Jean Gallagher: Absolutely.

Mr. Jerry J. Ouellette: —to be able to pass on generational knowledge has been lost.

Ms. Mary Jean Gallagher: The interruption of parenting skills.

Mr. Jerry J. Ouellette: It's going to continue on for a number of years.

But when we talk about the Thunder Bay school board, you mentioned the 252 students from 17 communities. Basically, what would be the most remote communities that you would be in partnerships with?

Ms. Catherine Siemieniuk: I don't want to embarrass myself geographically, but certainly from past Pickle Lake into Muskrat Dam. We have some students from there.

Mr. Jerry J. Ouellette: So you have some students from Muskrat Dam?

Ms. Catherine Siemieniuk: Yes.

Mr. Jerry J. Ouellette: So it's a fly-in access only or winter-road-access communities that you're dealing with.

Ms. Catherine Siemieniuk: Absolutely, yes.

Mr. Jerry J. Ouellette: Which is very key, because quite frankly, I believe that there's more or less an urban First Nation community, which is the Kawartha community, or even if you're talking about Garden River or even from Thunder Bay, whereas the remote commun-

ities are completely separate. I was in one this summer where 56% of the adults over the age of 25 don't have a high school education. I was in that community several years ago where the chief, Chief George, had to phone all the parents because they were cancelling school. The reason they were cancelling school that afternoon was because the school bus's fan belt broke and the parents saw no value in sending the kids to school. The only reason they went to school was to ride on the bus.

The point I'm trying to make here is that we in southern Ontario try and base a standard of how education should be perceived, or the value of it, on a southern Ontario standard, as opposed to a remote community of First Nations. I think that, quite frankly, the more time that all our colleagues here spend in some of these reserves, as I'm sure France or Sarah have spent in a number of these communities, they get a greater understanding.

So some of the questions, then, would be, when you're entering into negotiations with these communities, these 17 communities, that's for students coming to you. What about you going to those students and providing the elementary school guidance? Because I don't necessarily believe that there's a teacher certification requirement when the federal government provides teaching on-reserve. The difficulty may be the standard in each one of those locations may not be up to, in your case, the Thunder Bay standard. Have you looked at some of those options or possibilities?

Ms. Catherine Siemieniuk: Absolutely. And if I might, just to complicate things a little bit more, of those communities, some are organized into education councils as well, or tribal councils, and that's who we have our agreement with, so they're different communities but they're organized in a different way. Those conversations really are with what we call their education councils. I noted that my colleague used the term "education managers." That's who we would have that conversation with. That's who we take our guidance from.

That is why we have created our own videos to help the students transition. That's why we have flown, using Wasaya airlines, into some of our remote communities: because it's based on that relationship-building with those individuals that we have that relationship of trust with. It's one of those situations that our grandparents taught us: Listen first; listen more than you talk. It has been a good experience for us.

As far as outreach into elementary schools, that certainly is something that we could do more work on. Because of our relationship with our closest First Nation communities—not Fort William First Nation, which is our over-the-bridge neighbour, but Whitesand First Nation, which is an independent community, and Gull Bay, which is about 75 kilometres south of Whitesand; Gull Bay now sends their students to our provincial school—we've had more opportunity to interact as far as teacher training goes, and in addition to that, more opportunity to connect with the community in those two First Nations communities.

Mr. Jerry J. Ouellette: In the summer, I spent some time on-reserve at one community, and I have a number of nurses willing to volunteer in a number of fly-in locations. One of the things that I found quite surprising was that they were not allowed on-site unless they had federal approval. Do you have to have federal approval to allow individuals to go onto a federally approved school on-reserve?

Ms. Catherine Siemieniuk: We would go through chief and council to do that—through the education councillor, but through chief and council. Our relationship with Gull Bay and with Whitesand in particular is such that when we're visiting our school, which is in Armstrong proper, for us to go there, we always make a trip to the band council, to ensure that we connect with the chief.

The Chair (Mr. Norm Miller): You have two minutes.

Mr. Jerry J. Ouellette: Okay. You mentioned the NAN agreement and more involvement with the parents. When effectively a lot of the NAN community—I've dealt with Chief Yesno quite a bit, particularly on the education file. How do you get more parents involved? What do you do? Is that going to be the answer? Because when 56% of those over 25 years old don't have a high school education, it's very difficult for them to see the value. How do you get—

Ms. Catherine Siemieniuk: I think we need to think of it differently. I had mentioned briefly that in one of our projects, the tutors in a cultural environment, we're trying to use technology so that students who are off their community, who are attending school in Thunder Bay, would be able to reach out to their parents as part of a service that we would provide. We see it as using Skype, and through that, that would make that connection with parents.

I think we can't always expect that parents in remote communities would attend the school. It's 2013; we need to find a way to reach out to them in a different way. That would be one of the ways for the on-reserve students.

The Chair (Mr. Norm Miller): Very well. We will move on to the NDP: Ms. Gélinas.

M^{me} France Gélinas: Just to make sure that I'm talking to the right person before I start with my question—and I apologize; I have a cold—I'll start with you, Ms. Reece. In Algoma district, how many small schools—really small schools; 30 kids or less—have you got?

Ms. Lucia Reece: Thirty kids or less? One, I believe.

M^{me} France Gélinas: You only have one?

Ms. Lucia Reece: Yes.

M^{me} France Gélinas: Have there been school closures within your school board?

Ms. Lucia Reece: Absolutely. That has been a process in our board for the last five years, where we've been working through our capital plan. Probably since 2005, at last count, I believe we have amalgamated 12 schools, both secondary and elementary.

M^{me} France Gélinas: Of the 12 schools that have been amalgamated, what was the size of them?

Ms. Lucia Reece: After amalgamation or before?

M^{me} France Gélinas: No, before.

Ms. Lucia Reece: It varied; certainly, they were schools of less than 100. Our smallest school would have probably sat at one point with about 30 students, and another one, perhaps just under that—again, in more rural areas of our board, where we had to look at how we would best accommodate those students in terms of transportation and the closest school. Those are probably the smallest.

M^{me} France Gélinas: Do you have a policy as to what is the furthest that a kid can be bused, not only in kilometres but in time?

Ms. Lucia Reece: We have a transportation consortium, and our goal is to try and have no student on a bus for more than an hour.

M^{me} France Gélinas: How many are actually outside of this goal that you give for yourself?

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Ms. Lucia Reece: Very few.

M^{me} France Gélinas: Less than a dozen, or less than 100?

Ms. Lucia Reece: We probably have one community towards the east of our board where we might have two or three buses that would be—again, I can't tell you how many specifically on those buses. But they are very rural areas; they might have to travel a little more than an hour to get to a school.

M^{me} France Gélinas: Were any of those areas affected by the school closures that we were talking about?

Ms. Lucia Reece: We have an area east of the board where we did have some students, yes—and have seven to 12 schools. So we do have some students in those areas who would be a little bit more than an hour getting to school.

M^{me} France Gélinas: Okay. For Lakehead district, the same kind of idea: How many very small schools have you got? She used 100. I have many in my riding that are less than 30. How do you define a very small school, and how many have you got?

Ms. Catherine Siemieniuk: The smallest school that we have—less than 30—is a school of five students. It's in the settlement of Collins. It's called Bernier-Stokes public school. That community is only available by rail or float plane. That school was amalgamated with Lakehead District School Board in 2009. That would be the smallest school. We have no other schools under 30 students.

M^{me} France Gélinas: How about under 100 students?

Ms. Catherine Siemieniuk: Under 100 students? I believe we have one, possibly two.

M^{me} France Gélinas: Has your school board seen any school closures?

Ms. Catherine Siemieniuk: We closed a number of schools previous to 2005. We have not closed a school since 2005.

M^{me} France Gélinas: Of the schools that you closed previous to 2005, were any of them small schools?

Ms. Catherine Siemieniuk: Yes, some of them were small schools. I wouldn't be able to tell you the exact number. Those school closure decisions were made primarily on program offerings and ensuring that we had the best facilities to offer program for our students.

M^{me} France Gélinas: Do you have a policy as to how long a kid can be on a bus?

Ms. Catherine Siemieniuk: I believe it's an hour that we try to keep—again, we are organized through a consortium with our two coterminous boards. I think we meet that, within the time frame. Remember that Lakehead District School Board and the rural areas are not a huge geography, as was stated by my colleague from Algoma.

M^{me} France Gélinas: I have no idea if that applies to where you're from.

Mr. Rusty Hick: Peterborough county and Northumberland county do have some small schools, and we have closed schools over the past 10 years. Fortunately, we have been able to keep students within the one-hour guideline. Most are well, well under that. The exceptions to that may be students who are involved in an optional program such as French immersion or integrated arts, where it's a central location and parents have chosen to attend on that basis.

Our smallest school is 54 students, and it is in the process of being consolidated into another school. I think I touched the questions that you asked.

M^{me} France Gélinas: Yes, you did—

Mr. Rusty Hick: We have about two under 100.

M^{me} France Gélinas: —without even having to repeat.

So I guess I'm at the ministry people now. We've been presented with the stats: 12,700 kids; 118 reserve schools. Most aboriginal people go to small schools. You guys have very few of them.

Whenever we look at amalgamations, we look at making them bigger so that they have access to the programs and what you've been talking about. I'd like to turn that on its head a bit and see how much time, effort and energy is put into finding out how we build good small schools. Rather than listing out everything that the kids miss out when they're in a small school because they don't have access to programs, where is the leadership within the ministry to say, "How do we make small schools good schools that give you a good education?" So, to you.

Ms. Mary Jean Gallagher: First of all, I would point out that 12,700 kids and 118 schools in the on-reserve area are, in fact, not schools that we have direct intervention or interaction with around the aboriginal file.

The ministry is definitely committed to ensuring that any and every school that is part of our provincial education system is well supported and well resourced. For that reason, the grants for student needs include a number of additional funding supports that are provided to smaller schools. There is an expectation, though, that before a board opts to have a very small school, with all of the challenges that are associated with that, if they're

within a very close neighbourhood proximity of another school that's also small, the declining enrolment brings one to the obvious conclusion that boards need to look at their overall accommodation and capital plan to make appropriate arrangements. But our Grants for Student Needs funding formula—and if you're looking for more information, I can certainly have ministry people from our finance branch delineate those parameters to you—provides for additional funds to go to any school that is a certain distance from its neighbourhood schools and is falling behind a certain enrolment number so that they can have a principal, so that they can have a secretary, so that they can have additional library resources appropriate to the school etc.

It's one of the strengths, I think, of the Ontario education system, because some of my work brings me into conversation with people who visit from all over the world, who come to Ontario to see what we're doing in our schools that is so successful. While they're here, I take advantage of the opportunity to ask them about what goes on, and many, many places around the world do not have a district school board. They have a government agency that runs schools throughout the area, and all of the decisions sort of emanate from the centre. One of the things that I think is really important to Ontario is, in fact, that existence of district school boards. It not only provides local decision-making around education, but it allows the central agency to fund a district school board on a per pupil basis, and to make really good decisions about where they want to distribute that funding.

I used to be a director of a school board, like these folks to my left, and I thought that it was a really important component of my ability to deliver equity to small schools or to students who had greater needs for a whole host of reasons, because I got this money and could distribute it among my 75 schools—

M^{me} France G  linas: You're going further and further away from my question—

Ms. Mary Jean Gallagher: Yes.

M^{me} France G  linas: My question is really, is there any research to make education in small schools great education? What are the key success factors? What are the best practices for small schools to deliver key education? Are there research papers that you guys have done? Round tables that you've put together? Brain trusts that have been brought together to say, "Here's how we will build successful small schools"?

Ms. Mary Jean Gallagher: Rusty?

Mr. Rusty Hick: If I may, the Upper Canada District School Board for many years ran an annual conference on small schools, and the intent was exactly that: recognizing the reality of remote and rural schools, sharing ideas and practices and certainly the role that technology can play, especially as you move into the high school years.

Currently, we have a joint course between Campbellford District High School and Norwood District High School. Norwood has just dipped under 300 students, which for us is a very small secondary school. In order to

give students the opportunity of taking grade 12 calculus, students in both schools sit in a classroom and, through the use of video-conferencing technology, share one teacher. So things like that are being shared across the province.

In addition, we took several of our trustees and senior administration to the Bluewater District School Board and looked at the kindergarten-through-grade-12 model as a way of utilizing space. It doesn't necessarily address all the programming needs, but certainly when a community wants to keep its school, it's one way and one possible solution that a number of boards across the province have looked at, in sharing that kind of approach.

Ms. Mary Jean Gallagher: And I would say as well that one of the areas of considerable work on the part of the ministry has been our whole e-learning strategy. A major part of that e-learning thrust has been how to deliver education to more remote and smaller schools.

As a director of education, one of my schools was a school on Pelee Island. We had 17 students in that kindergarten-to-grade-8 school. The school is still functioning well, I think, though they were down to about 14 kids the last time I talked to anyone from the board. For us, part of the strategy in being able to keep, say, grade 9 students on the island instead of having them travel and live for the week on the mainland was taking advantage of ministry support to put in place e-learning programs that would be appropriate for our grade 8 and grade 9 students.

So the ministry is certainly looking at a number of those components that provide options to school boards, but ultimately, that decision about local programming and whatnot is the board's.

Ms. Sarah Campbell: I thank you for that. I'm sorry; I'm going to cut you off. I've got a couple of more questions coming back to aboriginal education. I wanted to ask some questions with respect to reporting and some of the benchmarks. Specifically—maybe we'll start with the benchmarks, actually.

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Does the ministry believe that graduation rates are a fair benchmark to assess the progress of closing the gap in achievement between aboriginal students and non-aboriginal students? If not, what would the ministry believe are probably better benchmarks to have?

Ms. Mary Jean Gallagher: The ministry believes that the benchmarks we use to measure success for our students in fact need to be fair for all students. Graduation, I think, is indeed an appropriate benchmark in terms of measuring the progress of aboriginal students.

I would not want us to be in the business of setting different expectations and different measurements for different groups, because what I know about improving teaching and learning is that a lot of how a student does in school is a reflection of the expectations for achievement placed upon them by their parents and their teachers, and we want high expectations—as high a set of expectations for these kids as for every other.

The problem with the graduation rate right now for aboriginal students is that we're going to be another four years before we're able to identify what the aboriginal graduation rate is, because when you look at how we calculate the provincial graduation rate, what we do is we say, "Who do we know is in school in grade 9 right now?" Then, five years from now, of that cohort that started in a given year, how many of them have an Ontario graduation diploma? It's a very rigorous way of measuring graduation outcomes. The problem, of course, is that if you don't have your baseline aboriginal data to tell you who you have in grade 9 until just this past year, you aren't going to be able to track that cohort as a distinct cohort for a number of years. We had that problem when we first started the Student Success/Learning to 18 initiative, and we set graduation outcome as the measurement.

We actually have about 14 other measures that we measure or identify as indicators of progress within a secondary school. Some of those are grade 9 credit accumulation: "How many kids have eight credits by the end of grade 9? How many have 16 by the end of grade 10?" that sort of thing. Others are sort of mark distributions and a host of those other things.

So I would say, yes, graduation is a reasonable and fair benchmark, but we can't wait five years to figure out whether what we're doing is working or not, so we have to climb inside the data that we have for the cohort and say, "How does the marks distribution compare? How does their credit accumulation in Specialist High Skills Majors and dual-credit programs etc. compare to the norm etc.?"

Ms. Sarah Campbell: Sure. Just a couple of questions with respect to reporting. The ministry has committed to reporting publicly every three years on the implementation of the framework, and the first report in 2009 was very general. It didn't mention the 10 performance measures. What is being done to make the next report better? And do you think that reports should be made sooner than every three years, recognizing some of the challenges that the ministry has had to date with the implementation of the framework?

Ms. Mary Jean Gallagher: First of all, I think the first was very general. I think as we now have that baseline data, we're going to be able to be much more specific in our reporting on progress.

I am not of the belief that reporting and generating all of those reports more often than the three years, as a big report, would in fact spur more urgency to the—the root of your question is, will that give it a greater sense of urgency and will people pay more attention to it? I will tell you that there is no lack of urgency within the ministry and all across the ministry about the work that needs to take place to raise the achievement levels for students. The fact that aboriginal ed is not my own portfolio—student achievement is—and yet I have the knowledge tells, I think, the members of this committee that the entire ministry is engaged deeply in this work.

Where those reports become more useful is in accordance with the auditor's recommendation and where

we've been going, which is working at a much more detailed level with local school boards, to talk to them about their board improvement plans and what specific targets they're going to be working and looking to move forward with. The ministry works with them around those targets. The ministry provides additional funding. The boards commit their own per student funding to that pursuit.

I think what our three-year report does is provide that higher-level view of a system of improvement that actually is about the ongoing work we need to measure on a more regular than three-year basis on the ground.

The Chair (Mr. Norm Miller): Thank you. We'll move to the government and Mr. Balkissoon.

Mr. Bas Balkissoon: Mary Jean, in terms of the ministry, what do we do with students who leave the reserve and come to a public school, in terms of meeting their housing needs, their social needs, their counselling needs etc. so that we're sure that we're helping them to succeed? Can you describe what the ministry does today and how it works?

Ms. Mary Jean Gallagher: A lot of that is done at a local level, so I will ask these folks to my left to speak to it as well. But what the ministry has done is provide the funding required so that boards, for instance, can develop those transition plans in a more robust way.

As an example, the York Region District School Board hired an aboriginal transition coordinator. We talked earlier about the coordinators that boards have been able to hire with the funding that we've provided. That aboriginal transition coordinator enhances the supports to those aboriginal students, resulting in a reversal of the dropout rate. That's what we really want to see. As I said earlier, they moved, through the work of that individual, in partnership with the First Nation community, the elders there and the local schools, so that instead of 75% of the students dropping out in their first year of school, we now actually still have 100% of them, this year, attending school into the second semester.

They would have more specific examples here.

Mr. Rusty Hick: I'll just point out that Curve Lake First Nation, our biggest First Nation, has a kindergarten-to-grade-3 school of its own. The students come to us in grade 4, but they still live on Curve Lake First Nation, so they're just bused. So I don't have that issue of boarding and so on.

Mr. Bas Balkissoon: Does anybody have it where they actually live off-reserve?

Ms. Lucia Reece: Yes. We have had students come from the Far North, so it's a team effort. We use our aboriginal lead teacher, along with our school counsellors, and sometimes our First Nations support us with an aboriginal worker as well. We have all kinds of activities that we plan with the students. There are social gatherings, outings, opportunities for them to go out into the community with someone to learn the community; school-based school counsellors who touch base with them and make sure their needs are being met. We actually had a group come to speak to our board of trustees

about their transition to our school board, talking to us about what they appreciated and giving us feedback about things we might want to think about in the future.

So it's a team effort to try to make the transition as smooth as possible.

Mr. Bas Balkissoon: We also have programs for them before and after school? Or is this strictly during the school day?

Ms. Lucia Reece: No, this is after school as well. So activities during school—but then many of the outings and activities are in the evenings, as well, to help them socialize and get to know other students.

Mr. Bas Balkissoon: This would be funded by the agreement with the First Nation leaders? How is it funded?

Ms. Lucia Reece: Some of this would be our staff; some of it might be staff that we work with through the bands, as well. But primarily it would be our school staff and our aboriginal lead teacher who would take the lead on that.

Mr. Bas Balkissoon: My last question is back to Mary Jean. I liked your story about Curtis. It begs this question, because we do it right here in the urban centre—we try to find mentors for certain communities. How can we put into your program that a person like Curtis would be an ambassador to education for First Nation people, and that we facilitate them going back home to their reserve, meeting with the younger students, meeting with the staff at the schools and trying to pass on their experience so that those who come next would see the value of education?

Ms. Mary Jean Gallagher: That's one of the things I absolutely love about the story of Curtis. Curtis was a young man who cared about his colleagues, but prior to the students-as-researchers program in his board, he didn't really have an avenue for how you could organize that into something that would bring more people to the table. The result of his work has now become an annual program in his board, which brings students who are approaching that transition in grades 7 and 8 to this one-week experience with kids who are in grades 9 and 10, in a local high school, where they talk about their aboriginal identity and their history and their culture and what they can expect in the transition. So these kids know, when they come to the school, that there are going to be friends and mentors there for them, and the school, because of Curtis's work, has a heightened understanding of the challenges these kids are going through.

The real success in improving student achievement, aboriginal and otherwise, is about bringing together parents and the community and the school in a way that says, "Who are these children who are at risk, and what are the challenges they face, and how do we work at establishing locally based supports that are responsive to the needs of those students?"

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It seems to me that for decades education has tried to improve. We've got something very precious going on in Ontario right now: 10 solid years of improved outcomes

for our kids. We're not there with every kid, and we're nowhere near where we need to be with aboriginal students, but we've learned a lot about the fact that it requires local leadership, it requires local involvement and it requires the alignment of an entire system, from parents and community working with the local schools, the local school within the board, and the board within a ministry in a government that supports it with resources that make all of that work.

That's what we're trying to nudge into place, with urgency and intensity, in the aboriginal education field. It's very challenging, given the history and given the number of nations we work with, but we are making progress. Just from the point of view of somebody who spent 40 years in education, this is going to move; it has to. We have to get it right. Getting it right means that partnership on the ground. There have been too many attempts where it's been a top-down, directive kind of thing around aboriginal education, and none of them anywhere in Canada—or, for that matter, anywhere around the world that I've been able to research—have been successful with that approach.

This ground-up approach, I think, is the way we need to go, and I think our early signs and the leadership of the ministry's Aboriginal Education Office are moving us in the right direction in those areas. Lu?

Ms. Lucia Reece: I would like to add that I think there is a momentum that's building. I would urge you not only to think about the transition of the students we bring in off-reserve. We've had a large number of aboriginal students who were disengaged from high school, who had dropped out of high school.

One of our re-engagement initiatives, in co-operation with our First Nations partners, was to start an urban aboriginal alternative high school in Sault Ste. Marie. It's in its 10th year. It has a current enrolment of 113 students and, to date—we've partnered with the Indian Friendship Centre—we've graduated 58 students from that school. In 10 years, we have granted a total of 815 credits to students.

One of those success stories—it's not a Curtis, but her name is Christine Bob, who spoke so passionately about her experience of being re-engaged through that school. She came to the Circle of Light conference here in Toronto in 2011 and spoke to a room of 1,000 educators about the importance of understanding her needs and embedding her culture in her learning, and the difference it made for her to be able to graduate.

I think if we can build that momentum on a local level, we have our leaders. We have our graduates coming through, and we need to capitalize on them and let them have their voice heard, so that they can encourage our aboriginal partners and those, perhaps, in the Far North to see the value and see what can be done to ensure their success.

Mr. Bas Balkissoon: But my point was, are we looking at a program to actually hire some of these people to go out and do that work to engage the community, similar to the way we hire youth workers within the city

to go into a community and help that community that is distressed?

Ms. Mary Jean Gallagher: There are a number of our programs in terms of tutoring programs; boards can use those dollars to hire local students etc. I know, for instance, that in Toronto they've made a point of hiring members from local cultural groups and national groups to work with students from that group as we go forward, so there are those opportunities within it.

One of the other things the ministry has done just this year: In August, we sponsored our first aboriginal youth leadership camp. The ministry always sponsors an Ontario education leadership camp over the summer for students with leadership potential from all boards; this was a dedicated aboriginal youth leadership camp with student representatives from all across Ontario who came together. We had aboriginal elders there. The entire camp was focused around the aboriginal culture, but the message of the camp was about building the leadership capacity of these students to help their colleague students focus on better outcomes in school.

Mr. Bas Balkissoon: Okay. Thank you very much. My colleague has some questions.

Mr. Phil McNeely: How much time?

The Chair (Mr. Norm Miller): You have six minutes.

Mr. Phil McNeely: I come from a business background, and I did teach school one year in a rural school-house with 35 kids. So I got a good start, but I was 18 years old then. That's a few years ago.

Just looking at the issue that you have here, it was interesting: You said there were less resources for the schools on the reserves than in our public system?

Ms. Mary Jean Gallagher: Yes.

Mr. Phil McNeely: I mean, that's a travesty, just that. I don't have very many First Nations in Ottawa-Orléans. We have a large Inuit community in Ottawa-Vanier, and they do wonderful things in Ottawa-Vanier with their kids.

I'd just like you to describe the changes that you've seen since 2006. The objectives that you feel are there: Are you meeting those objectives? Are we moving quickly enough? There's a great waste of youth every year if they don't get the proper background and the proper education. Is the education that you're delivering giving them what they need to move on then to technical school or to work? Is that coordinated?

I think technology is important, especially with your distances. Contact North: I've had some experience talking to those people and seeing what they do. We have a little office in Orléans with them.

I'd just like your impression, the three who are out there teaching the kids: Are you doing enough? Is it going to the right place? Are we going to get where we want to get?

Ms. Catherine Siemieniuk: I'd like to start. Thank you very much for that question. I wanted to say that I think we've made dramatic changes in the way that we offer programs, but I think we need to think bigger than

this being just about the targeted aboriginal students. This is about all students. This is about a changing respect in society.

Part of the training that we are providing for teaching staff and all support staff is to really understand the aboriginal community and to embed indigenous knowledge into our curriculum offerings so that we can help combat racism, to be honest with you. It's an understanding that we are all responsible for, and I think education plays a critical role in that. Through the supports that we have received from the ministry, we've really made some significant gains there.

We've got a lot of work to do at the Lakehead public schools. We're very happy with what has happened, but we have a long way to go. I think we are making changes for our aboriginal students—I could quantify that with data—but bigger than that, I think we're making societal changes.

Mr. Rusty Hick: It's Rusty Hick. It's a very broad question, but what I would say is that education is about continuous effort and continuous improvement, and our job is never done. For all students, I would echo that.

What I would also say is that we have seen continuous improvement, not only in our general student population but in our students who have self-identified as First Nation, Métis and Inuit. There's no question that the evidence supports ongoing improvement; we've seen that.

The other thing, I think, that we all imply and understand is that we have national policies, we have provincial policies, and we have board-wide policies, but what education boils down to is one student at a time, and every student matters every day. We always instil that. Our staff believe that. So making a difference in one child's life every single day is how we move forward. I just wanted to bring it down to that level. It's about the Curtises, it's about the Melodys, and it's about the whomever that happens to on a daily basis—and our teachers and our support staff, who help those students improve, whether it's their literary skills, their math skills, their character, whatever it is. Every day, they're working hard to do that.

Ms. Lucia Reece: I think they've said it well. Maybe I'll just focus on the leadership part to that as well, because I think it wouldn't matter today whether we were talking about special education students, English-language learners, crown wards or suspended and expelled students.

Are we doing enough? Perhaps until the rate is 100%, we might say we're not doing enough. Yet, yes, we have data to show us that we are absolutely making a difference and that the strategies we use to engage and support one group of learners are not at the detriment or expense of any other group.

I'll speak as someone who has moved very recently from a superintendent role of program to the directorship. The guidance and support and focus from the ministry around using data and making sure that we live and breathe student achievement has been second to none. And it has helped us, I think, at a senior level across the board to look at: Are we really aligning our practices and

our resources to make a difference for every single student? Again, we do have data to support that for this particular group of students we are making a difference. Our goal is to make a difference for every student in the province of Ontario.

Mr. Phil McNeely: Thank you. I don't have any other questions.

The Chair (Mr. Norm Miller): Okay, thank you. We're out of time in terms of being able to ask questions,

so thank you very much for taking the time to come before the committee today.

We will now go into closed session to have a discussion, and we'll need the room cleared fairly quickly, so if you're saying goodbyes, please do it in the hallway. It would be appreciated. Thank you very much for coming.

Ms. Mary Jean Gallagher: Thank you so much. We appreciate your time.

The committee continued in closed session at 1441.

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Wednesday 4 December 2013

Standing Committee on Public Accounts

Special report, Auditor General:
Ornge Air Ambulance and
Related Services

Chair: Norm Miller
Clerk: William Short

Assemblée législative de l'Ontario

Deuxième session, 40^e législature

Journal des débats (Hansard)

Mercredi 4 décembre 2013

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STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 4 December 2013

Mercredi 4 décembre 2013

The committee met at 0904 in room 151, following a closed session.

SPECIAL REPORT, AUDITOR GENERAL:
ORNGE AIR AMBULANCE
AND RELATED SERVICES

The Chair (Mr. Norm Miller): Okay, we're in open session now.

Mr. Frank Klees: Chair, I have a couple of motions that I'd like to move, please.

The Chair (Mr. Norm Miller): Okay. Mr. Klees, go ahead.

Mr. Frank Klees: I move that the Standing Committee on Public Accounts request of the Ministry of Health and Long-Term Care a copy of the report entitled Critical Care Land Ambulance Program Review, Deloitte Final Report – August 27, 2013, and that the report be tabled with this committee no later than this Friday, December 6, 2013.

The Chair (Mr. Norm Miller): Yes, France?

M^{me} France Gélinas: Can I ask for a friendly amendment to his motion that would add something of the sort that the document be provided in an electronic searchable format? Is this friendly enough?

Mr. Frank Klees: Very friendly. In fact, I can't believe I didn't think of it myself.

The Clerk of the Committee (Mr. William Short): Searchable electronic and pdf?

Mr. Frank Klees: Yes.

M^{me} France Gélinas: To me, as long as it's in a searchable electronic format, I will work with whatever they give me.

The Chair (Mr. Norm Miller): Yes, Helena?

Ms. Helena Jaczek: Simply that this is something that was in the original auditor's report, I guess the second recommendation related to this critical land ambulance program. We certainly heard from Dr. McCallum that he was looking at all aspects—and I think it's important for us to have it as well, so I'm totally in favour of getting it so we can perhaps have a little more insight into this aspect. We know locally, certainly in my municipality in York region, that this is something that our York region EMS is very, very interested in. They feel that they may be able to provide a lot more service in this area. So I'm very interested in this aspect.

The Chair (Mr. Norm Miller): Any other comments? No? First, we're voting on the amendment. All in favour of the amendment? Carried.

The motion, as amended: All in favour? Carried.

Mr. Klees.

Mr. Frank Klees: The second motion is: I move that the Standing Committee on Public Accounts request of the Ministry of Health and Long-Term Care a copy of the report entitled Investigation of Ornge and Related Entities: Forensic Investigation Team, and that it be tabled with this committee no later than Friday, December 6, 2013.

I would ask my colleague Ms. Gélinas to add her friendly amendment.

The Chair (Mr. Norm Miller): Ms. Gélinas.

M^{me} France Gélinas: Can I do a friendly amendment?

The Chair (Mr. Norm Miller): Yes, go ahead.

M^{me} France Gélinas: That the responsive document be provided in an electronic, searchable format.

The Chair (Mr. Norm Miller): Okay. Ms. Jaczek?

Ms. Helena Jaczek: Just to clarify, this is the final report that you're looking at? My understanding is that the interim report that we heard about from Mr. Tait, I believe, from the Ministry of Finance—Allen Tait came and he described a little bit of the chronology. On December 22, 2011, the minister requested the forensic audit. They got busy, and by February 2012, they presented to the minister and the ministry an interim report that was what drove her, whatever she saw there, to in fact call in the OPP. My understanding is that from then on, the final report was developed and delivered to the ministry in June-July 2012, and at that point, because the OPP was already involved, the deputy minister forwarded it directly to the OPP without actually reading it, as we've heard.

Frank, I guess what you're after is, in fact, that final report. The question is, would they even have retained a copy at the Ministry of Health and Long-Term Care? In other words, you're requesting it from the Ministry of Health and Long-Term Care; I'm wondering if it shouldn't be the Ministry of Finance. Who has it now?

The Chair (Mr. Norm Miller): Will, did you want to add a comment?

The Clerk of the Committee (Mr. William Short): Yes. When I was asked to draft the motion yesterday, I contacted the Ministry of Health to get the title of the

report and this was the title of the final report they gave me. Based on how I drafted the motion, I would assume that the ministry has a copy of the report—or can get a copy of the report.

Ms. Helena Jaczek: I see. That was the only issue I had, because from what I understood, we heard the minister say that it was over to the OPP, and there was enough in the interim report—and Mr. Tait gave us an overview of what was in that interim report—that from then on, it was sort of hands-off. We're all in favour of getting the report. I'm just wondering if that's the right source.

0910

The Chair (Mr. Norm Miller): Okay, and Will just said if you want to ask the Ministry of Health and/or the Ministry of Finance, that's fine as well. Yes, France?

M^{me} France Gélinas: I guess I would like to make his motion a little bit wider, so asking for more friendly amendments. I would prefer to ask for the production of all documents related to the Investigation of Ornge and Related Entities: Forensic Investigation Team, as in, I wouldn't mind seeing the interim report, seeing what has changed between the interim—as well as all the related documents, so that we see how much work was done after the interim report was tabled with the government.

So two things: One, can we do a request to the government so that we don't have to name the ministry?

Interjection.

M^{me} France Gélinas: We have to name the ministry? Okay. So my first friendly amendment would be to the Ministry of Health and/or Finance, because auditing is under finance. Am I right, Will?

The Clerk of the Committee (Mr. William Short): Correct.

M^{me} France Gélinas: Okay, and that it not only be the final report but it will be all the documents from the forensic investigation team.

The Chair (Mr. Norm Miller): Frank?

Mr. Frank Klees: I won't accept that as a friendly amendment, and the reason is—I support what France is requesting, but I would prefer that she move her own amendment to expand it.

M^{me} France Gélinas: Okay.

Mr. Frank Klees: The reason is that once we get into broader documentation, it's going to take some time for them to pull that together.

Delivering the report should not be an issue, and I think we should be able to expect that that would be presented to us by Friday. So I'll support an amendment to broaden it—

M^{me} France Gélinas: Okay. How about I just do a separate motion, then, for the broader stuff? I'll support yours, and then I'll go with—

The Chair (Mr. Norm Miller): Can you withdraw your amendment that you just made then, please?

M^{me} France Gélinas: I withdraw.

Mr. Frank Klees: I will accept the friendly amendment on mine to expand it to the Ministry of Finance or

the Ministry—can I perhaps make an adjustment to amend my motion?

The Clerk of the Committee (Mr. William Short): We should probably start from scratch, then, because we have too many things going on right now, so let's—

Mr. Frank Klees: Because Helena raises an important point, and that is that I really should be requesting both the interim report and the final report. In both cases, it shouldn't be an issue of getting it here on Friday.

M^{me} France Gélinas: We'll do them one at a time. Do the final, do the interim.

Mr. Frank Klees: We'll do the final, and then we'll do the interim.

The Chair (Mr. Norm Miller): Yes, so let's read what the motion is now.

The Clerk of the Committee (Mr. William Short): The friendly amendment from Madame Gélinas that needs to be dealt with first is, “And that the document be provided in electronic and searchable format,” along with now the request is going to the Ministry of Health and Long-Term Care and/or the Ministry of Finance. We have Mr. Klees's original motion, which was, “I move that the Standing Committee on Public Accounts request of the Ministry of Health and Long-Term Care and/or the Ministry of Finance a copy of the report entitled Investigation of Ornge and Related Entities: Forensic Investigation Team.” We need to vote on the amendment by Madame Gélinas first and then the main motion.

The Chair (Mr. Norm Miller): Any more discussion?

All in favour of the amendment? Carried.

And then the motion, as amended: All in favour? Carried.

The Clerk of the Committee (Mr. William Short): Okay, so now we can deal with the other ones.

The Chair (Mr. Norm Miller): Ms. Gélinas?

M^{me} France Gélinas: Frank, do you want to move a motion?

Mr. Frank Klees: Go ahead.

M^{me} France Gélinas: Okay. I will move that the Standing Committee on Public Accounts request from the Ministry of Health and Long-Term Care and/or Finance the production of the interim report and all documents related to the investigation of the Ornge—I'll just do the interim report now—production of the interim report from the forensic investigation team done by the government between December 1, 2011, and we'll say, December 4, 2013, because I don't know the exact date.

The Clerk of the Committee (Mr. William Short): Can I grab that off of you?

M^{me} France Gélinas: You can. Would you like a whole bunch of copies?

The Clerk of the Committee (Mr. William Short): Sure.

M^{me} France Gélinas: And it goes on: that this document be provided by December 6 and be provided in an electronic, searchable format.

The Chair (Mr. Norm Miller): We'll take a five-minute recess just to get this figured out here.

The committee recessed from 0916 to 0923.

The Chair (Mr. Norm Miller): Okay, we're back in session, then. Ms. Gélinas, you wanted to read the whole—now that everyone has a copy of this motion before us, do you want to read it into the record?

M^{me} France Gélinas: I move that the Standing Committee on Public Accounts request of the Ministry of Health and Long-Term Care and/or the Ministry of Finance a copy of the February 2012 interim report from the forensic investigation team related to Ornge air ambulance and related services and that this document be provided in an electronic searchable format no later than Friday, December 6, 2013.

The Chair (Mr. Norm Miller): Any discussion? All in favour? Carried.

Was there one more motion that you wish to do?

M^{me} France Gélinas: Yes.

Did you take copies of it?

The Clerk of the Committee (Mr. William Short): No, I didn't.

The Chair (Mr. Norm Miller): Okay, Ms. Gélinas, did you want to—

M^{me} France Gélinas: Well, I think we've talked about it quite a bit. We know that this interim report exists and—

The Chair (Mr. Norm Miller): Sorry. Do you want to read the motion into the record, please?

M^{me} France Gélinas: Did we vote on the other one already?

The Chair (Mr. Norm Miller): Yes.

M^{me} France Gélinas: Okay. Gilles distracted me. I'm so sorry.

Mr. Bill Mauro: You didn't vote for your own motion?

M^{me} France Gélinas: Yes, I did.

Okay, here we go. I move that the Standing Committee on Public Accounts request from the Ministry of Health and/or Finance the production of all documents related to the Investigation of Ornge and Related Entities: Forensic Investigation Team, done by the government between December 1, 2011, and December 4, 2013, that these documents be provided within 30 days of this motion passing and that responsive documents be provided in an electronic searchable format.

The Chair (Mr. Norm Miller): Ms. Jaczek.

Ms. Helena Jaczek: Okay. The general intent—no problem at all. Presumably some of this will already have been released. I guess this is where I'm a little hazy, in terms of all the documentation that was requested previously. Obviously, I wasn't here in 2012, so it's difficult for me to understand what was released originally. Anyway, that's my first question. Maybe the Clerk can respond.

The second piece is, there's an OPP investigation ongoing. How would you see some of these documents being treated? We don't want to jeopardize whatever the OPP is up to. So I don't quite know how—obviously, held confidentially for the committee only, or can we sort of narrow that a little bit?

The Chair (Mr. Norm Miller): With other sensitive documents, the committee has received them and kept them confidential and then decided how to deal with them.

Ms. Helena Jaczek: How to handle it.

The Chair (Mr. Norm Miller): How to handle them, what they want to release after they have seen them.

Ms. Helena Jaczek: Even if it's related to an OPP investigation? I know we have incredible powers as this committee, but—

Interruption.

Ms. Helena Jaczek: Is this a quorum?

M^{me} France Gélinas: No. It's a 30-minute bell.

Ms. Helena Jaczek: So I guess my question is, even requesting, if it's related to an OPP investigation, is there any sort of extra protection needed other than being kept confidential only to members of the committee?

The Chair (Mr. Norm Miller): I think we've had documents that have been part of the OPP investigation previous to this, and we've just met as a committee. In most cases we decided to keep them in a sealed room with the Clerk, and members have had an opportunity to look at them. In most cases, we haven't released them, at least not the sensitive documents.

Ms. Helena Jaczek: Right, but what about previous—how much documentation was requested of the ministry in 2012? Is this not a repeat in some way?

The Chair (Mr. Norm Miller): Go ahead, Will.

The Clerk of the Committee (Mr. William Short): Well, I guess France will want to speak to her motion. I would assume that the way that the Ministry of Health and the Ministry of Finance would decipher this motion would be that it would just be documents related to this investigation. I think that's the purpose of the motion, and if that's the case, we have, as a committee, unless something has come to the committee and it hasn't been brought to our attention that this was part of the forensic audit or a forensic investigation. So they would have to tell the committee that this was part of the forensic investigation that was then sent to the OPP. You guys would then deal with those documents. I'm assuming it would come in saying, "We want these to be held confidential." You guys would then deal with them like you have in the past, however you want to deal with these confidential documents as a committee.

0930

Ms. Helena Jaczek: And when you refer to all documents, I presume you mean emails or any possible documents.

The Clerk of the Committee (Mr. William Short): Why don't you let France explain her motion?

The Chair (Mr. Norm Miller): France?

M^{me} France Gélinas: The idea is really to look at, when the documents were received, what was actioned off. I have no problem respecting the OPP investigation. I want this investigation to be successful, believe you me, as much as everybody else in this room, I assure you. If there are some documents that have already been shared with us, I assume that when they write to us, the cover

letter will say, "Refer to whatever we've sent you before," if this has happened.

I usually look at the documents that we receive. I usually read most of them. I may have missed something, but I don't remember anything pertaining to that particular audit. But if there was, I would be quite comfortable with a cover letter saying, "Refer to the bundle that we sent you on such a date or such a date" that was from this, and it didn't hit our radar that this was where it came from. The idea was really to see, when the interim report was received, what was actioned off and who it was actioned off to.

The minister certainly said that this was what triggered her to call the OPP. If there is documentation pertaining to this, I would like it to be shared. That's why we've given it a little bit more time, because this will require—I certainly don't expect them to resend us the final report and resend us the interim report, which will come from the other two motions, but I expect to see a little bit that they've opened the envelope, they've read the report, "Here's my read on the report," that kind of stuff.

Ms. Helena Jaczek: Okay.

The Chair (Mr. Norm Miller): Frank, did you have a comment?

Mr. Frank Klees: I think just for clarity, I would suggest that when Will sends that request to the ministries, he include a copy of the transcript of Hansard, which gives Ms. Gélinas's explanation as to what her expectation is in that motion.

The Chair (Mr. Norm Miller): Jagmeet, you had a comment?

Mr. Jagmeet Singh: Yes, thank you so much. Just to put it in a little bit of perspective in terms of the OPP investigation, first and foremost, everything that happened at Ornge was done with multiple and countless legal opinions. Just to be very frank and honest, the likelihood of any sort of criminal charges being laid because of the OPP investigation, I think, is very slim, given the fact that there were so many lawyers involved all the way through.

Secondly, the standard that the OPP investigation is held to would be proof beyond a reasonable doubt. Even if they come forward with very, very damning information that is brought before the court and charges are laid, they could easily be acquitted because proof beyond a reasonable doubt is a very high standard. But as people who are holding the government to account, we can actually say, "Listen, there is some serious impropriety here. There's some serious mishandling here. There are some serious mistakes that were made." We can say that's far more effective and far more beneficial for the citizens of Ontario than what the OPP can do in a lot of ways, because we don't have a standard. We're just saying, "Was it done properly or not," not whether it was up to the standard of proof beyond a reasonable doubt.

I think that our work here, for accountability purposes, is far more important, because we have a much broader range. We shouldn't in any way be worried about the OPP investigation because, as a committee, we have the

full power to say, "This document is too sensitive. It should not be released. This document can be released to the public." We can control that end of it. In terms of the accountability, we have a far more powerful role than the OPP investigation ever could have.

The Chair (Mr. Norm Miller): Frank?

Mr. Frank Klees: Chair, just for the record, I couldn't disagree more with Mr. Singh when he expresses his view that it's highly unlikely that charges will be laid. I fully expect that criminal charges will be laid based on the information that we have received over the course of the last two years here. I can tell you that if they're not, I will be extremely disappointed. After two years of investigation, I would fully expect that the full force of the law will be exercised.

In fact, to that point, I would ask that we send a letter to the commissioner of the OPP and that we thank him for his appearance here at the committee, when he provided us with an update. In that testimony, he advised us that he expects that their investigation would be complete by the end of the year. I would ask that we request an update, a status report, on their report, on their investigation, and, if there's a new timeline, what that might be, to the best of his ability to estimate. He was very forthcoming as a witness—

The Chair (Mr. Norm Miller): Okay. That's a different matter. If you want to make another motion, that's fine. Let's finish with the motion that we were discussing. Is there any more debate on it? Mr. Mauro.

Mr. Bill Mauro: I guess I just wanted to say, in regard to Mr. Singh's comments—I mean, whether or not, as a practising lawyer, his opinion is accurate beyond a reasonable doubt, I don't think that's really the issue or the point. I think the point is how this committee handles documents that may or may not prejudice an ongoing OPP investigation. I think that's the point. Whether Mr. Singh's position proves to be accurate or Mr. Klees's position proves to be accurate, I think, doesn't have a whole lot of relevance to what we're dealing with today.

The request for documents and how the committee deals with them is the issue, and the potential for those documents to prejudice an ongoing OPP investigation. I think that's the only piece that we need to be mindful of as we make our decisions on how we're going to support or not support the request for documents.

The Chair (Mr. Norm Miller): Okay. Yes, Mr. Klees?

Mr. Frank Klees: To that point, and I think we all agree with that—

Mr. Bill Mauro: Apparently not.

Mr. Frank Klees: I mean, the last thing that we want to do is prejudice that investigation. This committee, over the last two years, has dealt with very sensitive information. We have always agreed that we would keep documents in confidence where we feel that there may be some implication to that, and I would expect we'd deal the same way with this document that we're requesting now.

The Chair (Mr. Norm Miller): Okay. Jagmeet?

Mr. Jagmeet Singh: I guess my point may have been lost, so I think I should clarify. My point is that it's paramount that we, as a committee, do as much as we can and look at as many documents as possible, because our role, in terms of accountability, is the most important role. It's more important than anyone else's role, our role here, for accountability.

That was my point of saying the standard of proof: that our role is very important, because we don't have that same standard of proof. That's the only reason why I mentioned that, and not because I'm saying that we want to prejudice the report. I'm just saying it's because our role here is so important, and because our role is so important, that's why we should release documents.

Then, in terms of how we deal with it, we've already dealt with many sensitive documents, and we can make that decision in terms of what can be released to the public and what should be kept in the committee. We've made those decisions before, so I think we're in a good position to continue to do that.

The Chair (Mr. Norm Miller): Okay. Are we ready for a vote on this motion? Very good.

All in favour? Carried.

So do you still have—you had another motion?

Mr. Frank Klees: Yes. I would like to make this a motion: that the committee send a letter to the commissioner of the OPP, expressing our appreciation for his appearance before the committee and providing us with an update on the status of the investigation into Ornge, and that, given his advice to us that they expect the investigation to be completed by the end of this year, seeing as we are at the end of this year, we would appreciate an update on when we might expect to hear from the OPP on their conclusion—and to provide as many details as he would feel comfortable in providing, such as the number of witnesses who have been interviewed to date. I think that will suffice.

Interjection.

The Chair (Mr. Norm Miller): We need to recess for five minutes, and I assume the committee cannot sit when there is a vote happening.

The Clerk of the Committee (Mr. William Short): No. You have to give everyone at least five or six minutes—

The Chair (Mr. Norm Miller): Okay. So we'll take five minutes now to get this written, then.

The committee recessed from 0940 to 0943.

The Chair (Mr. Norm Miller): Okay, we're back in open session. I believe you all have a copy of the motion, which I'll now get Mr. Klees to read into the record, please.

Mr. Frank Klees: I move that the Standing Committee on Public Accounts send a letter to the commissioner of the Ontario Provincial Police (Chris Lewis) asking for an update on the ongoing investigation of Ornge air ambulance.

The Chair (Mr. Norm Miller): Any discussion?

M^{me} France Gélinas: A friendly amendment, but I don't know if it's necessary: "Ornge air ambulance and

all of its subsidiaries," because he didn't only look at—does "Ornge air ambulance" cover the 17 other companies?

The Chair (Mr. Norm Miller): We think it's one investigation, so it likely shouldn't be needed.

M^{me} France Gélinas: Okay. I'm good, then.

The Chair (Mr. Norm Miller): Okay. All in favour? Carried.

I believe we're finished what we needed to do in open session, so we will go in camera now. We're going into closed session.

The committee continued in closed session at 0945 and resumed at 1241.

The Chair (Mr. Norm Miller): We're in open session. Mr. Klees, you have a motion you'd like to move?

Mr. Frank Klees: I move that the Standing Committee on Public Accounts, pursuant to standing order 110(b), whereby each committee shall have power to send for persons, papers and things, call Deb Matthews, the Minister of Health and Long-Term Care, to testify before this committee at 9 a.m. on Wednesday, December 11, 2013.

The Chair (Mr. Norm Miller): Comments? Ms. Jaczek.

Ms. Helena Jaczek: Yes, Chair. I would like to request a recess of 10 minutes to review this motion.

The Chair (Mr. Norm Miller): Very well, we'll recess for 10 minutes.

The committee recessed from 1242 to 1252.

The Chair (Mr. Norm Miller): We're back in open session, then. We were discussing the motion put forward by Mr. Klees. Any comments on that? Ms. Jaczek.

Ms. Helena Jaczek: Yes. The minister, as I understand it, is happy to attend. We can pass this, but it's really quite unnecessary. She's perfectly prepared to come anyway. We will obviously be voting in favour.

The Chair (Mr. Norm Miller): Mr. Klees.

Mr. Frank Klees: Thank you. I'm glad to hear that. Shall we have the vote on this, then? Then I'd like to speak to the format for the actual—or would you like to do that now?

The Chair (Mr. Norm Miller): Sure, if you're done discussing it.

All in favour? Carried. Very well.

M^{me} France Gélinas: I kind of wanted to make a comment, but—

The Chair (Mr. Norm Miller): Go ahead. Make your comment.

M^{me} France Gélinas: I think the events that came in the press were quite disappointing. We've put in a lot of time with Ornge. We're trying to go to the bottom of things. We all know that the main trigger for the minister was the salary. The media report about new amounts for salary dating all the way back to 2006 was rather shocking to me. I spent a lot of time looking at Dr. Mazza's expenses. We spent a lot of time requesting all information having to do with his salary. I remember poring through the OHIP report we got—his stipend, his loan, his T4—

looking through all of that. Yet I never came up with the \$9.3 million; I never came up with the—I forget—\$286,000, \$258,000 amount that the papers that were shared with us said he made in 2006. Yet we read in the papers that this was not the case.

I would sort of open the door to say I may want a little bit of a follow-up with whoever is in charge of the sunshine list as to how many other people who are covered by the sunshine list actually report something there that we find out later is not the right amount. I'm just opening up this door, depending on how much we learn from the Minister of Health, that I may be interested in going that way. This perturbs me. This is a law. He did disclose his salary, and then seven years later we found out that what he disclosed was not the right amount, yet nobody picked that up for seven years.

The Chair (Mr. Norm Miller): Okay. Helena?

Ms. Helena Jaczek: I share France Gélinas's concerns. The way that I understand the sunshine list works, at least in my experience in the regional municipality of York, is that, in that case, it is the employer who is responsible to create the list and to publicly disclose it. I presume that there are penalties for some false posting of those salaries by that employer. I think it's worth exploring further because, the way I would see it, it would have been the original Ontario Air Ambulance, that initial corporation, that was responsible for the validity of that list. I don't think that anyone goes in—maybe the Auditor General can explain if anyone goes into those employers' records and sort of searches, or if there's any kind of checking. I've always heard—at least the way the region of York worked—that it was incumbent on them to truthfully disclose the earnings of their employees. So the failure would be on the original—when Mazza was subject to the sunshine list, it was the Ornge Air Ambulance corporation, and that organization was clearly, if what we read in the newspaper is true, at fault.

M^{me} France Gélinas: I agree with everything you said. The next point is: How come it wasn't caught sooner?

The Chair (Mr. Norm Miller): Okay. The motion has passed. This is just general discussion right now. Mr. Klees, did you want to—

Mr. Frank Klees: Yes, I'd like to speak to the format of the day when the minister comes. The Clerk will send the letter extending the invitation for 9 o'clock. I would like the entire time to be given to members of this committee to ask their questions. I'm perfectly fine with giving the minister a two-minute statement before questions, but that's the extent to which I want to hear the minister make her statement. We only have a limited amount of time, and I think it's important that we have an opportunity to ask the minister the questions.

The Chair (Mr. Norm Miller): Is the committee proposing the 9-until-10:20 slot on Wednesday?

Mr. Frank Klees: That's my proposal, and that the time be divided equally.

The Chair (Mr. Norm Miller): Okay, very well. Ms. Jaczek.

Ms. Helena Jaczek: I don't see that the minister would object to making a very short statement. I'm sure she'll reiterate what she said in the House during question period, that the interim report was, in fact, part of the documents that were forwarded to this committee previously. I imagine that's the thrust of your interest as well, so I can't see that her opening statement will need to be lengthy.

Mr. Frank Klees: Well, if we already know what the minister's statement is going to be, that the interim report was part of what the committee has already received, then I would ask that research provide us with that evidence. I'm not going to sit here and have the minister tell the committee that we received that report, when everything I know is that we did not receive that report. If Ray would undertake that and provide us with whatever evidence that we, in fact, did receive that report.

The Chair (Mr. Norm Miller): Any further discussion? Ms. Jaczek.

Ms. Helena Jaczek: Just as a courtesy, if we could say that the minister gives us five minutes of an opening statement, I don't think that's going to detract from the questioning. I don't want to prejudge what she is coming to say, but I think she deserves that kind of courtesy.

Mr. Frank Klees: With all due respect, Chair, it's my motion. I don't want to hear from the minister for five minutes. Everything I've heard from the minister over the last number of weeks is nothing but equivocation and self-defence. I don't want to waste any time here in this committee hearing more of that. I'm simply saying that I'm prepared to give her two minutes, and if that has to go to a vote, then let's do that.

The Chair (Mr. Norm Miller): Ms. Jaczek?

Ms. Helena Jaczek: Is there any protocol that exists for committees in terms of appearance of witnesses and their ability to make some sort of opening statement?

The Chair (Mr. Norm Miller): It's the committee's decision, and it has changed throughout the process, Ms. Jaczek—although I think it would be nice if we could have agreement on this simple three-minute discrepancy.

Mr. Frank Klees: Three minutes in the life of this minister is a lot of time.

Ms. Helena Jaczek: I would think she could speak very, very quickly in two minutes. It's probably about 250 words.

I would say two minutes is fine. I don't want to prolong this discussion.

The Chair (Mr. Norm Miller): Very well. Then I think we're done with that, and we can go into closed session to do report-writing. We shall go into closed session now.

The committee continued in closed session from 1300 to 1403.

The Chair (Mr. Norm Miller): We're back in open session. We have a motion from Ms. Jaczek. Go ahead.

Ms. Helena Jaczek: Thank you, Chair. I move that the Standing Committee on Public Accounts request from Ornge and the Ministry of Health and Long-Term Care, within 30 days of the passage of this motion, a chart

summarizing the totals and types of payments received by Chris Mazza from any Ornge entity and the Ministry of Health and Long-Term Care between 2003 and 2012, including compensation (base salary, performance payments, medical stipends), loans, and expenses such as credit card payments.

May I give you some rationale behind our motion?

The Chair (Mr. Norm Miller): Yes, please.

Ms. Helena Jaczek: The motion is really in order to assist us all in having a distilled package of all information related to Chris Mazza's salary and expenses. In response to a motion by a former government member of this committee, now Minister Sandals, these materials were provided to the committee, but as we've heard, the volume of the materials is such that in order to be helpful we're thinking that this could all be collated for us in this way and it would be better to go this way than to have someone go through all those boxes at this point—in other words, to ask for the information again in this kind of distilled format so that we would have this readily available to us going forward.

The Chair (Mr. Norm Miller): Thank you. Ms. Gélinas.

M^{me} France Gélinas: We've put a motion forward like this, and we already have that information available to us, plus more. Remember, when we passed the motion—and we should pull it out—we also asked for OHIP payments and also got that. I think the only difference would be that we didn't go back to 2003, but that exercise by Ornge has already been completed and that information is already available to us and this committee has already had quite a bit of a chat with whatever information Ornge was able to provide at the time.

I would say that if there's new information that has become available since they last provided that, then I'm open to that. I think that would be a better use of their time and my time. I can share those papers. I already have them and have looked at them.

The Chair (Mr. Norm Miller): Ms. Jaczek?

Ms. Helena Jaczek: I think this is a desire to ensure that what has been provided is the totality of the information, as I understand it. If you have something in a format which puts it all together, I agree. We've heard bits and pieces through the time, but I haven't really seen it all consolidated, so the desire is to try and make this readily available.

The Chair (Mr. Norm Miller): And the chart that you describe in this motion?

Ms. Helena Jaczek: Yes.

The Chair (Mr. Norm Miller): Okay. Mr. Klees?

Mr. Frank Klees: Are you finished?

The Chair (Mr. Norm Miller): Are you finished—

M^{me} France Gélinas: Go ahead, and then I'll finish.

Mr. Frank Klees: Go ahead.

M^{me} France Gélinas: Okay. Then the motion is not complete, because we have done this exercise before. Not only did Dr. Mazza get base salary, performance payments, medical stipends, he also billed OHIP and he also received money through—I'm going by memory and I

forget, but there's another source of funding that went to Dr. Mazza. I think it would be useful to pull the original motion to compare it. The original motion, I think, was more complete than what we have here or we could direct them to interpret the motion as widely as possible. But you're missing OHIP in here for sure.

The Chair (Mr. Norm Miller): Go ahead, Ms. Jaczek.

Ms. Helena Jaczek: I think we did request OHIP billings, but it was as a separate motion. I'm not quite sure which motion you're referring to that was similar to this. In the time I've been here, for the last year, I haven't seen it all detailed on one page.

Mr. Frank Klees: That was a January 8, 2012, motion that I have here.

The Chair (Mr. Norm Miller): You have the motion there, Mr. Klees?

Mr. Frank Klees: Yes. There were actually two tabled on January 8, 2012. The first one reads, "That the Standing Committee on Public Accounts request from Ornge a chronologically ordered copy of all documents (including, but not limited to, agreements, invoices or receipts) relating to all payments from all Ornge entities going to Dr. Chris Mazza or his personal corporation," which also is a nuance to the motion, "(including, but not limited to, compensation, medical stipends, research grants and loans) from 2003 to 2012."

The second motion that day reads, "That the Standing Committee on Public Accounts request a copy of all documents relating to any interest and/or principal payments provided by any Ornge entity from Dr. Chris Mazza or made by him to any Ornge entity from 2003 to 2012."

So to Ms. Gélinas's point, I think there are some nuances that the original motion contained that are missing here, and if we're going to go through this process, then I think we should get it done right, which is why I would also want to include in this motion not only payments from any Ornge entity but also including any hospital or medical clinic, because we know that Dr. Mazza was also under contract to a couple of hospitals, and I don't know if saying "Ministry of Health" would actually capture that.

1410

The Chair (Mr. Norm Miller): Ms. Jaczek.

Ms. Helena Jaczek: I certainly have no objection to expanding it. I think this is what, again, in the public interest, people want to know: to have a complete picture of everything. If that's sort of a friendly amendment to expand it, I still—I know you had a request for this information. The minister has confirmed that it was sent, but I don't know if it was sent in a useful format. If we can get it quicker by asking our researcher to go through the 43 boxes and find this all put together, that's fine. But I think it would be almost easier at this point to have this type of motion—and it's a very clear direction—arrive in a format that is comprehensive and easy, at a glance, to see.

The Chair (Mr. Norm Miller): Ms. Gélinas?

M^{me} France G  linas: A big part of this work has already been done, and we have just requested the information from the forensic audit. For all we know, when we open up the forensic audit, they may have done this work. Because of the amount of time, effort and energy it took us to go through what we had received, I would hate to burden Ornge with going through an exercise like this, just to find out, at the very end—"Oh, look at this. We had a chart in the forensic auditor's final report that had already tabled all of those. Thank you for the hundreds of thousands of hours you've spent on our request. It wasn't really needed. Thank you, guys." Am I the only one worried about sending Ornge on a chase?

How about we say that we're supposed to get the forensic audit stuff by Friday. If, by Friday, we don't see such a chart, we ask Ornge to repackage for us the information they've already sent us, casting as broad a net as possible. But even then, some of the stuff he did for—I forget which hospital it was; one of the big orthopedic hospitals down here.

Ms. Helena Jaczek: Mount Sinai.

M^{me} France G  linas: Mount Sinai. I don't think Ornge would have access to that. It's Mount Sinai that would have access to this. For some of the work he did get paid for, I'm not sure Ornge is the right—it's the same thing: Everything he did for OHIP, Ornge doesn't have access to this. What he did for Mount Sinai, Ornge doesn't have access to. Ornge has access to what they paid him. His net of money-grabbing extended way beyond.

Ms. Helena Jaczek: I think the intention of the motion is to extend the limit of the capacity of Ornge and the Ministry of Health and Long-Term Care to what they could collate. That really is the essence of this. If it's in the forensic audit, nicely packaged for us, obviously this would not be necessary.

The Chair (Mr. Norm Miller): Yes, Frank?

Mr. Frank Klees: I would agree. Look, I want as much information as we can possibly get. On the one hand, I appreciate the gesture from the government members on this, but we do have information that's readily available. Exhibit 2030058 that we all got in that dump specifically refers to compensation T4s, T4As, loans, expenses, medical stipend, director fees—that's here. I think what's at issue and the reason that we're continuing our discussions here, and particularly in light of Mr. Kevin Donovan's article that caught the attention of the minister, where she said this was the first time that she saw the figure of some \$9.4 million—this information doesn't come close to \$9.4 million. The most that we could find in going through all of the documents—T4s and the stipends and so on—is somewhere in the range of \$5.6 million. So there's about \$4 million missing that Mr. Donovan reported.

To Ms. G  linas's point, the one thing that I have not seen in any of the documents is the forensic audit report, either the interim—certainly we don't have a final. That, we should have by Friday afternoon, assuming that we get co-operation from whoever has that. I would think

that all of the information that's being requested in this motion would, in fact, be in those reports.

The gap that we have before us as a committee, I think, is that we don't have that information. I have no problem passing a motion here as long as we include those other nuances that are missing here and get them on. But I think to be practical, we should also issue it, then, to the ministry, with the caveat that we will wait to see the documentation we get from our initial request before sending them off to do unnecessary work.

The Chair (Mr. Norm Miller): Ms. Jaczek.

Ms. Helena Jaczek: I'd be happy with that kind of caveat. I think it's only reasonable. If somebody has done this and it's in a form that we can look at in the final report, the forensic investigation, that would be fine. It's simply intended so that we all are looking at the same information and we're clear on what we do know. Even if there are potentially gaps, this is going to be stunning enough, so to speak.

The Chair (Mr. Norm Miller): We need to take a recess to re-draft the motion, then.

Ms. Helena Jaczek: To add—

The Chair (Mr. Norm Miller): To add this caveat and the nuance that you're talking about. How much time would you need? Five to 10 minutes?

Ms. Helena Jaczek: Five minutes? Yes.

The Chair (Mr. Norm Miller): Recessed.

The committee recessed from 1417 to 1440.

The Chair (Mr. Norm Miller): We're back in open session. Ms. Jaczek, did you want to withdraw the motion you had previously—

Ms. Helena Jaczek: Yes, I would like to withdraw the motion previously tabled.

The Chair (Mr. Norm Miller): And you have a new motion.

Ms. Helena Jaczek: I have a new motion.

I move that the Standing Committee on Public Accounts request from Ornge and the Ministry of Health and Long-Term Care a chart summarizing the totals and types of payments received by Dr. Chris Mazza or his personal corporation from any Ornge entity or Ministry of Health and Long-Term Care entity between 2003 and 2012, including but not limited to: compensation, base salary, performance payments, medical stipends, research grants, loans, and expenses such as credit card payments;

Also any interest and/or principal payments provided by any Ornge entity;

Also any payments from hospitals, medical clinics and OHIP;

And that this report be provided in an electronic, searchable format;

And that this request go forward after the Standing Committee on Public Accounts receives the February 2012 interim report and final report relating to the Investigation of Ornge and Related Entities: Forensic Investigation Team if these reports do not include all of this information;

And that this information be provided within 30 days by Ornge and the Ministry of Health and Long-Term Care.

The Chair (Mr. Norm Miller): Any discussion? All in favour? Carried.

Okay. I believe that's all we need to do in open session, so we shall go back to report—

Mr. Frank Klees: Can I just raise another issue?

The Chair (Mr. Norm Miller): Yes, Mr. Klees.

Mr. Frank Klees: I have just received some information—and I don't know how accurate this is, but I would appreciate if we could send a request for clarification or confirmation of this and a status from Ornge, and that is that Ornge apparently has terminated its lease on the Hamilton airport hangar and that they paid \$2 million to terminate the lease early, and that if in fact the payments had been made to the end of next year, they would have

owned the building under the terms of the lease and, at that point, could have sold it for its true value and would have obviously been in a better financial position. According to this, all the furniture in that hangar was disposed of in a dumpster without any regard for recovering value.

So if we could send a letter to Dr. McCallum asking for a status on that hangar, the lease and the information that we've received here, I'd appreciate that.

The Chair (Mr. Norm Miller): Okay. Is that agreed—

Ms. Helena Jaczek: Sounds like a good idea.

The Chair (Mr. Norm Miller): Okay. Agreed by the committee. Very well. Now we shall go into closed session to continue report writing.

The committee continued in closed session at 1444.

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Mercredi 11 décembre 2013

Standing Committee on Public Accounts

Special report, Auditor General:
Ornge Air Ambulance and
Related Services

Comité permanent des comptes publics

Rapport spécial, vérificateur
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d'Ornge



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STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 11 December 2013

Mercredi 11 décembre 2013

*The committee met at 0901 in room 151.*SPECIAL REPORT, AUDITOR GENERAL:
ORNGE AIR AMBULANCE
AND RELATED SERVICES

MINISTRY OF HEALTH

The Chair (Mr. Norm Miller): I'd like to call the committee to order and welcome the Minister of Health back to the committee. Thank you for coming in this morning. You have a couple of minutes for an opening statement and then we'll go to questions from the parties.

Hon. Deborah Matthews: Well, thank you very much. I'm delighted to be here this morning.

Members of this committee have made some accusations that are simply unfounded, and I'm very happy to be here to set the record straight.

First, regarding Dr. Chris Mazza's compensation: On December 21, 2011, I learned that Dr. Mazza had abused the trust placed in him by the taxpayers of this province. When I learned what he made in one year, that was enough for me to take immediate action. That's why I ordered a forensic audit into Ornge the very next day. They were on-site before Christmas. Shortly after Ornge's board of directors had resigned, a new board was in place and Dr. Mazza was no longer working at Ornge.

The second accusation relates to the findings of that forensic investigation. I reviewed the results—the interim findings of the forensic investigators in February 2012. I was shocked at what I read. Chris Mazza's deception and abuse of power clearly crossed the line. The issue was immediately referred to the Ontario Provincial Police.

The final report of the forensic investigation team was delivered to my deputy minister in July 2012. Based on advice from the ministry's internal audit team, this report was immediately returned, unread and still sealed, and forwarded to the Ontario Provincial Police. This step was taken to ensure that there was no risk of inadvertent impact on the ongoing criminal investigation. There is no question that this was the right thing to do, and even with the benefit of hindsight, I continue to stand behind that decision because Chris Mazza must be held to account.

Both Ornge and the Ministry of Health have taken their obligations seriously when providing the documents to this legislative committee examining this issue. Two

million pages of documents have been provided to this committee. The committee has had all information about Dr. Mazza's salary, compensation and expenses since it was provided to the committee Clerk in October 2012, as requested by MPP Liz Sandals.

What's important to me is that we have worked hard to turn things around at Ornge. Under Ornge's new leadership, a new culture has been established that has made patient safety, transparency and accountability for taxpayers' dollars their highest priority.

The Chair (Mr. Norm Miller): Thank you for that. We'll move to the opposition. You have about 25 minutes in total time for each party. Go ahead, Mr. Klees.

Mr. Frank Klees: Thank you. Minister, what specifically, in the briefing note that you read, was it that alerted you to concerns at Ornge? Specifically, you mentioned that all you needed to see was one year's income. How much was that one year's income that you saw in that briefing note?

Hon. Deborah Matthews: Well, I think you're confusing two things. The briefing note came after the forensic audit team had been in, and it was contained in the interim report. When I saw Dr. Mazza's first year's salary, that was in response to a meeting that I had with the chair of Ornge, where I demanded to know what compensation was paid to Dr. Mazza. As you will recall, there was an issue around what was on the sunshine list and what was not. I demanded to know total compensation to Dr. Mazza. I received that shortly after that meeting in my office.

Mr. Frank Klees: Minister, that's not what you said. That's not what you've been saying for the last two weeks. For the last—

Hon. Deborah Matthews: That is exactly what I have been saying.

Mr. Frank Klees: No, it's not. The transcripts of the scrums will show that what you said was that all you needed to see was what he made in that one year, and you specifically referred to the interim report that you read.

Hon. Deborah Matthews: I'm sorry, Mr. Klees; once again, you are inaccurate. What I have said from the beginning is that I demanded to know what compensation was paid to Dr. Mazza. I received that information. A forensic audit was ordered. Shortly after that, in February 2012, the audit reported back, and it was from that point that the police were called in.

Mr. Frank Klees: Which audit?

Hon. Deborah Matthews: The audit that was ordered after I learned what he had been paid in one year.

Mr. Frank Klees: Is that the one that you did not read?

Hon. Deborah Matthews: I read the interim report. That was all I needed to read.

Mr. Frank Klees: And what did the interim report say about his income?

Hon. Deborah Matthews: The interim report did not address the compensation. What concerned me in the interim report that led me to say, "Game over. It's time for the OPP to be involved," was the reference to the payments made by AgustaWestland to the Ornge corporations, in response to what appeared to be an overpayment by Ornge for helicopters.

Mr. Frank Klees: We just need to get one thing clear here. You're referring to an interim report. The only interim report, so-called, that was delivered to this committee and was referred to by your deputy initially as an interim report, who then subsequently clarified and referred to it as a briefing note, is this two-page document. Is that the one? Just so that we're clear, when you say "interim report," is it this two-page briefing note that you're referring to?

Hon. Deborah Matthews: Yes. That is the interim report from the forensic audit team that was called in after disclosure of one year's salary.

Mr. Frank Klees: And you're saying that this report made reference to the remuneration that you were concerned about.

Hon. Deborah Matthews: Let me try this one more time. I got the information on remuneration in December 2011. It was that information—one year of Chris Mazza's compensation—that prompted the audit that resulted in that interim report, that briefing note. Those two pages, I tell you, tell a very big story that resulted in immediate referral to the OPP.

If you're telling me, Mr. Klees, that you think I should have waited until the final report to take action, I completely disagree with you.

Mr. Frank Klees: No. You should have taken action two years before that, Minister. The kind of backfilling that you're doing is quite offensive.

The fact that you finally took action in December 2011, when this issue was brought to your attention in April 2011, warning you that things were going on at Ornge that, quite frankly, were highly questionable, and you, according to the Hansard, continued to defend what was going on at Ornge—for you to suggest that somehow you took a responsible step here by moving in December 2011 is quite hilarious, actually, but let's leave that where it is.

0910

I'd like to ask you this. In July of this year, Ornge provided this committee with a document entitled "Budget: Fiscal Year 2013." Did you receive a copy of Ornge's fiscal year 2013 budget?

Hon. Deborah Matthews: I certainly have been briefed on budget challenges at Ornge.

Mr. Frank Klees: So you did not receive a copy of Ornge's budget?

Hon. Deborah Matthews: I'll tell you what I have received. I have received the interim report. I have read the final report. There have been significant changes at Ornge, as I hope you will acknowledge, changes for the better. What I'm hoping is that this committee will actually finish the report—

Mr. Frank Klees: Minister, wait a minute now.

Hon. Deborah Matthews:—so we will have perhaps more information on how to improve Ornge.

Mr. Frank Klees: Minister, you're here to answer our questions. I'm asking you a simple question.

This is an organization that has serious financial struggles and complexities. As the minister, you're actually telling us that you have not even asked for or seen a copy of Ornge's budget for fiscal year 2013. That's what I'm hearing. Is that correct?

Hon. Deborah Matthews: What I am telling you is that I am aware there are challenges. Those challenges are being managed.

Mr. Frank Klees: You didn't read the budget.

What is the consolidated budget for Ornge for fiscal year 2013?

Hon. Deborah Matthews: Mr. Klees, I think you understand—

Mr. Frank Klees: Just say you don't know, if that's the case.

Hon. Deborah Matthews: What I do know, Mr. Klees, is that Ornge is under very strong new leadership, new management. They are—

Mr. Frank Klees: Minister, you don't even know the budget of Ornge for fiscal 2013 and you're cutting the cheque?

Hon. Deborah Matthews: What I can tell you is that I know that Ornge is under strong new leadership. They are working their way—

Mr. Frank Klees: People who are watching this are going to be distraught. This is an organization that has wasted multimillions of health care dollars, and you don't even know what their budget is for this year?

Hon. Deborah Matthews: With respect, Mr. Klees, I think your credibility on issues related to Ornge has been severely questioned.

Mr. Frank Klees: Oh, thank you.

Hon. Deborah Matthews: You have raised issues in the House that are simply untrue. Just as recently as last week, you said that I was in contempt of the Legislature for not having provided documents. Those documents have been provided to this committee not once, not twice, but three times. I actually think that you should think about your accusations before you make them.

Mr. Frank Klees: Well, let's think about that together, okay? In a series of motions dating back to April 2012, this committee has requested any and all documents that relate to Ornge that may be in the possession of the Ministry of Health, the Ministry of Finance or any other ministry. On February 15, 2012, you received the briefing note, which you refer to as the interim document

or the interim report. Why was that briefing note not made available to this committee?

Hon. Deborah Matthews: That briefing note was made available to this committee. You have had that in your documents not once, not twice—three times you have received that document.

Mr. Frank Klees: On July 25, 2012, you received a copy of the final forensic report, and you forwarded that to the OPP without reading it. Why was that report withheld from this committee?

Hon. Deborah Matthews: With respect, I did not receive that report. That report was presented to the ministry officials, who made the determination that we must not interfere or be perceived to be interfering with an OPP investigation. So I did not see that report. They made the right decision. I stand by that decision. I have a feeling that if I had read that report, then you'd be here accusing me of interfering with an investigation.

Mr. Frank Klees: No. In October 2012—

Hon. Deborah Matthews: What I am saying is that the forensic investigator lead appeared before this committee, answered questions, and every document that has been requested by this committee has been delivered to this committee, including the final report of the forensic investigation team. You've had that information. You clearly have not—

Mr. Frank Klees: The final report was delivered because we called for it last week.

Hon. Deborah Matthews: That's exactly right.

Mr. Frank Klees: In October 2012, Ornge requested that their external accounting firm and selected executives be permitted to access that forensic report, and in response, on October 9, 2012, the Ministry of Health asked the forensic investigation team for a copy of that report, which it received.

Hon. Deborah Matthews: That is correct.

Mr. Frank Klees: Your ministry received it. The OPP advised that this would not interfere with their investigation. Why was this committee not provided with the report at that time? That was in October 2012.

Hon. Deborah Matthews: This committee has asked for many, many, many documents—two million pages of documents—

Mr. Frank Klees: And this was not important enough to forward to this committee, knowing that there's a standing order to the Ministry of Health to provide any documentation of relevance related to Ornge to this committee? Why was it withheld?

Hon. Deborah Matthews: This committee has received over two million pages of documents. It's clear—

Mr. Frank Klees: We did not receive the forensic report.

Hon. Deborah Matthews: It's clear you have not been reading—

Mr. Frank Klees: Why was it withheld?

Hon. Deborah Matthews: —because even today, after I have said repeatedly that you had the interim report three times—

Mr. Frank Klees: I'm talking about the final report. Why was the final report not provided to this committee, knowing full well that there's a standing order from this committee to provide that documentation? Why was it withheld?

Hon. Deborah Matthews: When the committee requested the report, they got the report.

Mr. Frank Klees: No. We have standing orders here, standing motions by this committee to provide any documentation relating to Ornge between the Ministry of Health and the Ministry of Finance. We want that information. We have standing motions—

Hon. Deborah Matthews: You have that information.

Mr. Frank Klees: And the minute that that report was tabled, it should have been delivered here. Why was it withheld?

Hon. Deborah Matthews: Let me try one more time—

Mr. Frank Klees: You don't have to try one more time. The fact is, we didn't get it; it was withheld, and I'm simply asking you as minister to tell us why it was withheld, knowing that the OPP said it would not in any way interfere with their investigation.

Hon. Deborah Matthews: There was a decision made by the ministry that we did not want to interfere with an ongoing OPP investigation. As I say, that was the right decision. That was the decision that was made by the deputy minister in consultation with ministry audit staff. I concurred with that decision, and that decision stood until this committee requested the final report and this committee received the final report.

You have information you don't even know you have. That's clear, that you're asking for information—millions of pages have been delivered to you, and it's obvious that you have not read them because you have asked for the same information over again.

Mr. Frank Klees: Minister, I have read a lot more documentation, obviously, than you have. I can tell you that the documents we went through that provided information on Chris Mazza's income—and you admitted yourself that the interim report does not contain all of the information about Chris Mazza's income. The information we did receive regarding his income, including T4s, adds up to a maximum \$5.6 million. Where is the rest?

Hon. Deborah Matthews: I'm afraid once again you're demonstrating that you have not read the documents.

Mr. Frank Klees: Well, then, I would ask you to table with this committee the information that you say was in that document that adds up to \$9.4 million. Will you do that?

Hon. Deborah Matthews: Of course I will do that.

Mr. Frank Klees: Of course you will, and I want that tabled—

Hon. Deborah Matthews: But I want you to know you have that information.

Mr. Frank Klees: Well, if you have it, then table it with the—

Hon. Deborah Matthews: All of the information that you're asking for today you've had for months.

Mr. Frank Klees: Well, if you know that, Minister—

Hon. Deborah Matthews: For months, you have had compensation, you have had bonuses—

Mr. Frank Klees: Well, you're wrong.

Hon. Deborah Matthews: —you have had expenses. All of the information this committee has—

Mr. Frank Klees: And you're wrong.

Hon. Deborah Matthews: —and has had for a year—over a year. You have more comprehensive information than is contained in the forensic audit. All you have to do is read it.

Mr. Frank Klees: Okay, Minister, if you know that that's there, then before the end of this day I would ask you to table that information—because you obviously know where it is—that adds up to \$9.4 million in compensation for Chris Mazza with this committee. Will you do that?

Hon. Deborah Matthews: This committee has already asked for a summary of that information to be contained—

Mr. Frank Klees: No. You see, now you're admitting that you don't know, and we know—

Hon. Deborah Matthews: You are absolutely incorrect. This committee has been—

Mr. Frank Klees: Then you'll table it? Just say yes or no. Will you table it?

Hon. Deborah Matthews: You have the information. You will receive it again.

Mr. Frank Klees: Thank you.

Hon. Deborah Matthews: The committee has already asked for a summary chart to be prepared; that work is under way. You have the information, and if you need it again, we'll get it to you again.

Mr. Frank Klees: I want that information from the information that was tabled, according to you, with this committee prior to receiving the forensic report. So thank you for that. We'll look for that before the end of the day.

Hon. Deborah Matthews: Will you undertake to read it this time?

Mr. Frank Klees: I have read it, Minister. You don't have to insult me.

Hon. Deborah Matthews: Well, if you had read it, you would know it's there.

Mr. Frank Klees: I'm not the one who has failed in my oversight responsibilities. You're the one who has done that. The record is very clear on that. We'll look forward to getting that information that you say was in the records.

Hon. Deborah Matthews: Let me just ask you one question. If, in fact, you are convinced—

The Chair (Mr. Norm Miller): We will move on to the NDP, then. Ms. Gélinas, you have up to 25 minutes.

M^{me} France Gélinas: Thank you. I will be splitting my time.

Thank you for coming this morning, Minister. I want to take you back to December 2011. We all read with horror the stories in the Toronto Star that told us the

salary that Mazza had been paid. I understand that you met with the board of Ornge shortly thereafter, and they were able to confirm to you that Mr. Mazza, for one year, had received close to \$1.4 million.

0920

Hon. Deborah Matthews: It was actually in reverse order, but yes.

M^{me} France Gélinas: Okay. Tell me the right order, then.

Hon. Deborah Matthews: The right order was that there were questions raised about compensation to Dr. Mazza. The Auditor General was having difficulty getting information from Ornge, so I called in the chair of the board. I called in Dr. Mazza; he did not come. I called in senior personnel at Ornge and demanded that they co-operate with the Auditor General, that they provide information, including compensation paid to Dr. Mazza. Shortly after that meeting, they provided that information: one year's compensation. That was all I needed, to know that there were very serious problems regarding responsibility at Ornge.

When I received that one-year compensation number, that is when the forensic audit was ordered. It was six or seven weeks later that the interim report was received, and it was following that that the OPP were called in to do a very thorough criminal investigation.

M^{me} France Gélinas: Okay. You talked to the board and demanded that information regarding Mazza's salary be shared with you, and it was shared with you. Is it still in the \$1.5-million range? Is this what was shared with you at the time?

Hon. Deborah Matthews: You have all of the information. What has been publicly reported is accurate—

M^{me} France Gélinas: —is what was shared with you.

Hon. Deborah Matthews: This committee has all of that information.

M^{me} France Gélinas: Yes, okay. That information came up to about \$1.4 million at the time. We now know that it is closer to \$2.5 million. But at the time, what was in the paper and what prompted you to act was really that \$1.4 million was completely inappropriate for the head of Ornge to be paid, and that triggered all of the actions.

This information being on the front page of the paper for such a long time—not only did it have an effect on you that you knew you needed to act, but it also had an effect on a lot of people who care about health care, who saw that and who wondered—like, this man needs to be held to account. Things need to happen. But then, as the investigation goes on, more and more questions surface about his pay. The effect that it had on you, Minister—it had the same effect on millions of Ontarians.

My question really is, how come you didn't see fit to share those amounts publicly? People wanted to know. To find this out by dribble at the time, by investigative reporters, when those numbers were quite easy to read—I can read them off the report. It's in a nice, tiny little table for all to see here, that had been done in a report given to you. Why is it that we had to wait until it hit the front page of the paper, rather than coming from you?

Hon. Deborah Matthews: So, I think, two things: I completely agree that Dr. Mazza needs to be held to account. That's why it's very important to me that the criminal investigation be allowed to proceed without any suggestion of political interference. That's very important to me.

This committee has had information about compensation to Dr. Mazza; it was tabled over a year ago, in response to a question from Liz Sandals. This committee actually has had that information for over a year—

M^{me} France Gélinas: It doesn't add up. I can tell you that I did do my homework. I did read the documents. I looked at what has been submitted to us as to how much he was paid, how much his stipend was, how much he got paid through the back door, through the hospital, in all of this. It does not add up to what the forensic audit was able to unearth on this. It doesn't add up.

I can guarantee you that I have done my homework. I have read; I went through all of his OHIP billing sheets. I spent a lot of time looking at his salary, because salary was the trigger, but I'm not a forensic auditor. They were way better than us.

Hon. Deborah Matthews: What I can tell you is that the request from this committee was for all compensation, not just what you'd find on T4s. It included loans, it included stipends, it included expenses, so all of his credit card expenses—all of that information wrapped up. This committee has had all of that information. I can tell you, this committee has more information than the forensic auditor reports in his report.

What you've seen publicly reported I understand to be accurate. You have asked for a summary sheet to be prepared. That is being prepared for you now.

Mr. Jagmeet Singh: Minister, I just want to confirm a couple of things with you, and I'm sure you would agree. You agree that the salary was the trigger that made you realize there was something wrong at Ornge. You agree?

Hon. Deborah Matthews: Yes.

Mr. Jagmeet Singh: And you believe in transparency and accountability; that's something you believe in. Would you agree with that?

Hon. Deborah Matthews: Absolutely.

Mr. Jagmeet Singh: And you would agree that you would want Ontarians to know exactly what the figures are so that Ontarians can be able to look and see that this is the salary, this is the compensation, to hold Dr. Mazza to account but also to hold the government to account. Would you agree with that, that that's something that Ontarians deserve to see?

Hon. Deborah Matthews: Yes.

Mr. Jagmeet Singh: You know that the OPP gave you permission or said that there would be no problem with disclosing the information held in the report. They told you that, is that correct?

Hon. Deborah Matthews: No, that is not correct. They did not tell me that.

Mr. Jagmeet Singh: Who did they tell?

Hon. Deborah Matthews: This document was in the ministry, and when the ministry received the audit, the

final report in July 2012, the decision was made, on advice from the internal audit team at the Ministry of Health, that that should be returned and referred to the Ontario Provincial Police. I did not see that report. That was the understanding then and continued until this committee received the final report: that there would be no suggestion of political interference in a criminal investigation.

Mr. Jagmeet Singh: Sure. I can clarify that: I think the OPP contacted you in May 2013 and advised that it was okay to release the report.

Hon. Deborah Matthews: Again, they did not contact me.

Mr. Jagmeet Singh: Just in general, you were aware that the OPP had indicated that there was no problem in releasing the report in May 2013. Do you agree with that statement?

Hon. Deborah Matthews: What I can tell you is that—

Mr. Jagmeet Singh: Just with respect to that statement, though, that the OPP had—

Hon. Deborah Matthews: No. The OPP did not contact me.

Mr. Jagmeet Singh: Not you, but the OPP had made it clear that there was no problem with releasing the report in May 2013. Are you aware of that, though?

Hon. Deborah Matthews: I'm aware—and you've got the transmittal letter, I believe, from Deputy Minister Rafi.

Mr. Jagmeet Singh: That's right. I'm reading off that, and that's—

Hon. Deborah Matthews: He makes it very clear what the chain of events was. As far as I'm concerned—

Mr. Jagmeet Singh: So you would agree, though, that the OPP had made it clear that in May 2013, there was no problem in releasing the forensic report.

Hon. Deborah Matthews: As I say, I can speak only to what I know, and what I know—

Mr. Jagmeet Singh: No, no, but do you agree that you've read that statement and you are aware that the OPP said in May 2013 that it's okay to release the report?

M^{me} France Gélinas: It's at the bottom of page 4, just before the graph of all the dates, the letter from the deputy to the Clerk. It goes to say, "Mr. Tait confirmed to the" Ministry of Health and Long-Term Care "that the OPP advised him that at that time"—which is May 2013—"they did not believe that release of the report would have a negative impact on the investigation."

Hon. Deborah Matthews: What I can tell you is what I know, and what I know is that a decision was made that there ought not to be any perception of political interference. That was an understanding that stood until this committee requested that document. When you received it, I received it.

M^{me} France Gélinas: Except that it changed; it changed a year later. In May 2013, the OPP changed their position and said that releasing the report is not going to have an impact on their investigation, so from

May 2013 to now, things have changed, but things did not change for you.

Mr. Jagmeet Singh: To make it clear, the OPP made it clear that they were okay with releasing it, and they advised Allen Tait, the director of the FIT, the forensic interim report, indicating that there was no problem in releasing it. If you did not know about that, you can indicate that, but it's pretty clear in this letter that we received that they contacted the Ministry of Health and Long-Term Care and confirmed to the ministry that the OPP didn't have a problem with that. Were you aware of that confirmation or not?

0930

Hon. Deborah Matthews: No, I was not.

Mr. Jagmeet Singh: Okay.

Hon. Deborah Matthews: I've been very clear that my highest priority was that Dr. Mazza be held to account for his actions. That meant there had to be an OPP investigation that was free from political interference or the perception of political interference. That is why I did not see the interim report, and I did not see it until this committee requested it and this committee received it. You had Mr. Tait here in front of you last May; I do not believe you requested that report. When you requested that report, you received that report.

Mr. Jagmeet Singh: Minister, we're not worried about what we as the public accounts—we're not looking to see if public accounts is held up to the standard of what the ministry is supposed to do. The questions we're asking are: Did the ministry do their job? Did you as the minister do your job in terms of oversight and accountability? Whether we asked the questions or not or did the work or not is not actually the subject of what we're here to do, just to let you know. I mean, that's not really our—

M^{me} France Gélinas: You have to realize how bad it looks. I mean, for two years, Ornge is trying to get rebuilt from the ashes that are left behind, trying to do some good, and then when bits of information trickle out like this, that truly you could have prevented all of that, then we see a pattern developing. Like, you could have prevented Ornge from being run into the ground in the first place had you done something with the red flags and the whistle-blowers; you could have prevented Ornge from running themselves into the ground had you looked into his salary when the NDP asked you to look into this. But you didn't, and then Ornge happened.

Now you see that this information becomes available. The OPP says it's now okay to share it. But because the public hears it through the media rather than through you, it again looks like the Ministry of Health is not doing its basic function of oversight of an important agency such as Ornge.

The optics are so bad, when you know that so many people are interested in this issue. The salary that had been put out there was \$1.4 million. You now have a document in front of you that says that in 2011 it was \$2,571,844.72 that he got paid; \$2.5 million is a whole lot more than \$1.4 million. You know, had you been upfront to show, "I am showing oversight. I am the one

who will release that information and share it," we wouldn't be here this morning.

Hon. Deborah Matthews: With respect, all of that information, and in fact far more than the information, if we're talking about compensation—this committee has had that for over a year.

M^{me} France Gélinas: It's not our job to oversee Ornge; it's yours.

Hon. Deborah Matthews: Let's be clear: There is an ongoing criminal investigation. Ministry officials, with advice from our internal audit team, made the determination that there ought not be political interference. I concurred with that decision. That was the understanding: that the OPP would be permitted to do their work—

M^{me} France Gélinas: So when the OPP changed their stance and advised the ministry that it is now okay to release that documentation, how come you were not more forthcoming with that kind of information to show that the ministry is on top, to show that the ministry has learned, that it's doing oversight, and that the public, as my colleague says, is allowed to know that Mazza was paid \$2.57 million in 2011, not the \$1.4 million?

Hon. Deborah Matthews: Once again, the ministry officials made that determination. So neither I nor my office was informed that the OPP made any statement at all. When this committee requested and received the report, that is when I received the report. But I think it's important to know that the forensic report was shared with a very small number of ministry officials. They went through the forensic audit report. They compared any findings in the forensic audit report with work that had already been done through the performance agreement and—

M^{me} France Gélinas: Just so that you don't lose your train of thought, you said that you were not aware that your ministry—the OPP did contact the government, who contacted your ministry and said, "It's okay now to share the report." Wouldn't you have been curious at this point to read it, and then take your responsibility of oversight and say, "Hey, the number that is out there—it's actually worse"? That would have bolstered your case that you want to hold Mazza to account. When the OPP contacted the government—we have Mr. Tait on record saying that he contacted the Ministry of Health and advised the Ministry of Health that the OPP was okay with sharing the report, the report that has a table in it that showed that \$7.6 million was paid to Mazza. We have the salary, the bonus, the fees, the loan, the OHIP—we have it all in a clear little box here.

Hon. Deborah Matthews: Let me repeat: The ministry officials were as determined as I was to ensure that justice be done, that there be a clear OPP investigation, free from political interference. The ministry did receive that forensic audit report later in July. It was returned, unopened. It came back. The ministry officials reviewed the findings of the forensic audit report—

M^{me} France Gélinas: And nobody clued in—

Hon. Deborah Matthews: Let me, please. They compared the findings of the forensic audit with action

already taken at Ornge and determined that no further action needed to be taken as a result of the findings of the forensic audit. That was a valuable piece of information for the OPP.

I think that the principle of allowing that investigation to continue, unimpeded by political interference, was the right principle. It was the right decision. And I think had I not taken that position, you would be asking me: "Why did you interfere with an OPP investigation? Isn't it important to you that Dr. Chris Mazza be held to account?"

Mr. Jagmeet Singh: I'm just going to ask you a different line of questioning, just to bring us back into focus. Once Ornge hit the headlines in the *Toronto Star* and in other news agencies, you realized that this was a big deal, that it was something you should put your focus to and your intention to. Do you agree with that?

Hon. Deborah Matthews: Yes.

Mr. Jagmeet Singh: And knowing that this was something that was quite concerning to the public, to the people of Ontario—this has been labelled a scandal—it was your intention or your concern to make sure that you were as up to date as possible about anything that occurred in Ornge. That was something that you were concerned with. Do you agree?

Hon. Deborah Matthews: What was important to me was two things: First of all, that—

Mr. Jagmeet Singh: But just in general; we can get into the details in a moment. I'll let you do that. My question, generally speaking, is that of course—

Hon. Deborah Matthews: Would you let me answer your question, please?

Mr. Jagmeet Singh: Certainly, but I just want to direct you to what I'm looking for. Was there a concern in your mind, given the fact that this was of big concern to the public and this was in the newspapers and there were allegations that this was a scandal? In your mind as the minister, this was something that you took quite seriously. Do you agree with that general sense? We can get into details—

Hon. Deborah Matthews: Absolutely.

Mr. Jagmeet Singh: Of course, and I expect you would. Would you not agree then that any correspondences between whether it's the OPP, whether it's Ornge or whether it's anyone—anything that has to do with Ornge—would be something that you would pay attention to, that you would be expected to have some knowledge about?

Hon. Deborah Matthews: No, I do not. What my job was—two issues. One: Get Ornge back on track. Patients are counting on Ornge to deliver high-quality emergency care. That's why a new leadership team was put in place—a new CEO, a new board, an entirely new organization at Ornge that then got to work undoing the damage that was caused by earlier mismanagement, making the organization stronger. It was absolutely my responsibility to make sure that Ornge was under strong new leadership and to let them do their work.

In addition, referral to the forensic audit team—that was an important step. I wasn't managing that. The for-

ensic audit team was managing that, as well they should. And then when it progressed from the forensic investigation to an OPP investigation, I absolutely let the OPP do their work. That's the right and responsible thing for a minister to do.

Mr. Jagmeet Singh: My question is not about letting certain people do their job. You have to delegate; that's important. But throughout this, you would have been keenly aware or keenly interested in what was happening. You should be expected to know what's going on—maybe not to be doing the forensic audit yourself; I'm not suggesting you should do that, nor am I suggesting that you should be doing the OPP investigation yourself. I'm suggesting, broadly speaking, that you should be expected to know what's going on with respect to the Ornge investigations, who is investigating it and what the updates are. You would expect to know that as the minister. We would expect you to know that. Do you agree with that statement—to know what's being investigated, who's investigating it, to make sure that work is being delegated and to know what the correspondences are between the people about the investigation? Should the public expect the minister to know about that?

0940

Hon. Deborah Matthews: While the forensic—

Mr. Jagmeet Singh: Just focus on the question, though. My question is, would the public expect the Minister of Health and Long-Term Care to know about those things?

Hon. Deborah Matthews: While the forensic audit was under way, I received regular updates on the forensic audit. The moment it was sent to the OPP was the moment I stopped getting updates, because it was in the hands of the police; there was a criminal investigation—

Mr. Jagmeet Singh: I'll pause you there. Once you know that it's in the hands of the police, wouldn't it be very important to know what the police's concerns are? If the police are no longer concerned, if the police are concerned, if the police are saying that it is sensitive material, or if the police say it's no longer sensitive material, wouldn't it make sense for the public to expect the minister to be aware of that, to be aware of the status of the investigation, to know whether or not it's sensitive or whether it's no longer sensitive—because if you know that as the minister, then you can make statements or not make statements. Wouldn't it be fair, in the minds of the public, to expect the minister to know whether or not the information is sensitive or not? Wouldn't that make sense—

Hon. Deborah Matthews: I think the public would expect the minister to let the OPP do their work—

Mr. Jagmeet Singh: No, that's not my question, though. In fairness, I'm saying that—

Hon. Deborah Matthews: I did not look for updates from the OPP.

Mr. Jagmeet Singh: But if you care about the investigation and you don't want to interfere with it, wouldn't it naturally make sense, then, to know whether or not the

information is sensitive or not? Wouldn't that be something that would make sense to do? If you are concerned about the investigation, wouldn't it make sense to ask the OPP—or if the OPP contacts your ministry and tells you certain information is no longer sensitive, wouldn't it make sense that you should know that so that you can actually make statements or not; you can actually tailor your submissions or tailor what you want to say based on knowing the fact of whether or not the OPP is concerned about sensitivity? Wouldn't that make sense naturally?

Hon. Deborah Matthews: I tell you—

Mr. Jagmeet Singh: Does that make sense?

Hon. Deborah Matthews: What makes sense—

Mr. Jagmeet Singh: Not what makes sense—what I'm saying to you is, does that make sense? You can talk about anything else you want, and we can do that on another day, but I'm asking you a question: Does what I say to you—

Hon. Deborah Matthews: No, it does not.

M^{me} France Gélinas: I'll give you an example. We now know that the OPP feels that it is okay to share this information. One of the pieces of information that's in the report is that they cheated on the sunshine list. The last time that Mazza's salary was reported on the sunshine list—we now have the forensic audit team telling us that what they reported to the Ministry of Finance and what was published was not accurate; they cheated. For two years, they cheated. The last two years that his salary was on the sunshine list—the salary that we have, according to the forensic audit, is not what is on the public record. That has nothing to do with the rebuilding of Ornge. It has to do with you using the information you have, to say, "Oh, there's a red flag here. If they are cheating on the sunshine list, maybe others are cheating"—because when Ontarians read this in the paper, this is what they think.

Hon. Deborah Matthews: I think it's really important to note that the \$2.5 million in compensation you referenced was not just compensation. It included loans, it included a lot of information; right?

M^{me} France Gélinas: Yes.

Hon. Deborah Matthews: I think it's also important that some of that information that you—the committee has T4 slips. You can do what you want with that information. I am prohibited from revealing that information, but you have that information—

M^{me} France Gélinas: I'm not talking about 2011. I'm talking about his salary back in 2006 and 2007.

The Chair (Mr. Norm Miller): You have one minute left.

M^{me} France Gélinas: What I'm saying is that, here again, there are opportunities to learn from what happened at Ornge. It has nothing to do with the way we run air ambulance. It now has to do with agencies that have to report on the sunshine list that have cheated. You have this information in the forensic—

Hon. Deborah Matthews: Just to be clear: You have the forensic audit report, so you know that the organiza-

tions that were captured under the sunshine list did report. I think it's also important that you know that now, under the new agreement, all compensation paid through any entities is reported.

M^{me} France Gélinas: What about the thousands of transfer payment agencies that you fund? How do you know that they're not cheating on the sunshine list? What have you learned from this to make sure that there aren't other cheaters and other Ornges out there?

Hon. Deborah Matthews: So I think you would agree, and you have agreed in the past that when I became aware of the issue, I acted swiftly, I acted decisively—

M^{me} France Gélinas: Are there other Ornges out there?

The Chair (Mr. Norm Miller): We'll move to the government now. Ms. Jaczek, you have 25 minutes.

Ms. Helena Jaczek: Thank you, Minister, for being here with us today. I'll start off, and I think my colleagues will have a few more questions. The reason that you are here today really stems from the fact that you made a decision not to read the final report. Instead of peppering you with leading questions as the opposition has done, I would like you to tell us in your own words; starting back from the beginning when you first heard that the Auditor General was having difficulty obtaining information related to Ornge, what you knew and when, in a chronological fashion. I know that it's difficult because so much has happened since, but if you could put yourself back into where you were at every step of the way leading up to the decision not to read the final report. If you could just recap that for us.

Hon. Deborah Matthews: Thank you. I welcome the opportunity to do that.

I heard from the Auditor General that he was having difficulties getting information from Ornge. I had a very unusual conversation with the Auditor General, and he said that he was getting very legalistic responses and he was not getting access to the information that he needed to do his work. Of course, when you don't get information, you're concerned that there's a reason you're not getting information. When I had that conversation with the Auditor General, I called in the senior leadership at Ornge and I said, "You must co-operate with the Auditor General, and I need to know how much money you are paying in compensation to Dr. Mazza," because it was clear that he was no longer on the sunshine list, that there was more compensation being paid to him than was being reported.

I got that information on December 21. The next day, the forensic audit team—not the Auditor General's team, the forensic audit team—was called in and went to work at Ornge. By the middle of February they came back with an interim report, their interim findings—very alarming findings, alarming enough for me to make the determination that this was a job for the OPP. The ministry connected—this matter was referred to the OPP. That was where it belonged, because it was very important to me that we send a very clear signal that this is not acceptable in any way, shape or form.

Prior to that February date when we received the interim report, the board had resigned. Chris Mazza was no longer working there. There was new leadership in place at Ornge. Then I got the interim report. It was referred to the OPP. At that point, the clear responsibility, from my point of view, was to let the OPP do their work. There were important changes that needed to be made at Ornge in order to assure the highest quality of care, responsibility and oversight at Ornge. There was a lot of work happening to get Ornge back on the right track. But in terms of the investigation into what had been going on at Ornge, that was in the hands of the OPP. I wanted that work to be done, free of political interference, and when the report came back, the final report from the forensic investigation team—it went from an audit to an investigation—when the investigation team had their final report, ministry officials made a very deliberate and, in my opinion, correct decision that that should not be read and that that be referred to the OPP. It was returned—unopened, uncopied, unread—to the OPP so that they could do their investigation.

A few months later, in October, Ornge wanted a copy of that report because they had to wrap up their auditing statements and so on. That information was requested. Ornge did get a briefing under high security. There were four copies of the final report sent to the ministry. It was very, very, very tightly controlled. The principle that there not be interference with the OPP investigation stood, so that that report was not shared with my office and it was not shared with me because we didn't want to taint a criminal investigation. Does that—

Ms. Helena Jaczek: Yes, that covers it. I guess just one piece: Were you informed that the final report had arrived in your office?

0950

Hon. Deborah Matthews: No, I was not.

Ms. Helena Jaczek: You were not even aware that it had?

Hon. Deborah Matthews: No.

Ms. Helena Jaczek: You have now read the final report.

Hon. Deborah Matthews: Yes, I have.

Ms. Helena Jaczek: Is there anything, having now read the final report, that you would change, looking back at the actions that you took subsequent to this whole interest in Ornge? Is there anything that you would change, having now read the final report? Would you do anything differently from what you did?

Hon. Deborah Matthews: The final report confirmed that the right decision was made. This clearly was an issue that should have been investigated by the police. The decision to send it to the police was the right decision. I am convinced that the right decision was to send it to the police, based on the interim findings, and not to wait for the final report, because I think you would agree, having read both, that the issues raised in the interim report were fleshed out and expanded upon in the final report. But the core issues were clear in the interim report; that belonged with the OPP.

Ms. Helena Jaczek: Of course, we've concentrated on the OPP investigation and the forensic audit, but many other actions have occurred in relation to Ornge since then within the ministry. I'm thinking of the performance agreement, Bill 50 and Bill 11. Could you just, again, confirm the type of actions that you, as minister, took to ensure that Ornge got back on track?

Hon. Deborah Matthews: Absolutely—as I have said, a completely new team, a very highly qualified board of directors, very highly qualified senior management and a clear focus on patient safety. They have taken a number of steps. They report on performance indicators. We have a much stronger performance agreement with them now so that we have a clear line of sight into operations at Ornge.

We have legislation before the House, Bill 11, that I would dearly love to see passed because it takes us to the next level. It would allow us, for example, to appoint a supervisor, like a right that we have with hospitals—not one that I like to exercise very often. But if there is something happening in a hospital that is cause for concern, I can send in a supervisor.

I would like the minister to have that power when it comes to Ornge as well. That is contained in Bill 11 and that is before the House now. It's important to me that that legislation get passed.

We have a patient advocate in place now. The patient advocate's job is to make sure that patients get answers to any questions they might have around the care that they received while with Ornge.

So there is a lot of work under way at Ornge. It is a new chapter; there is no question about it. I think this committee has heard from front-line staff that they see a big difference in the way that Ornge is being managed now.

Ms. Helena Jaczek: Would you personally have contact with board chair Delaney and Dr. McCallum? You've talked about strong oversight. Can you sort of explain to us the various levels that that oversight occurs at?

Hon. Deborah Matthews: Yes. I do have regular meetings. My ministry officials have even more contact, but I do meet with Mr. Delaney, I do meet with Dr. McCallum. We do make sure that Ornge is doing what it ought to be doing.

Ms. Helena Jaczek: We know that there's a new oversight branch. In terms of the reporting from that oversight branch, are you confident that that information is passed up the line to the relevant ADM, deputy minister and so on?

Hon. Deborah Matthews: Absolutely, and if there are issues that need to be addressed, then I am informed of that.

Ms. Helena Jaczek: You mentioned the change in culture, and we certainly did hear from many individuals that they see a difference in terms of what's happening at Ornge now. Do you have any particular message in terms of what you would like to say to the current staff at Ornge after all these troubles?

Hon. Deborah Matthews: I have such respect and admiration for the people at Ornge. They have shared stories with me about how they've been treated in their Ornge uniform. I think it's just very sad and very disappointing that there are people who still want to run Ornge down and run the front-line staff down. I have nothing but the deepest respect and admiration for people who have devoted their lives to saving the lives of others. The front-line staff at Ornge have done only their very, very best under admittedly difficult circumstances under the former leadership. Some people have chosen to taint the reputation of this organization. That is unconscionable to me.

So my message to front-line staff is, on behalf of Ontarians, we are very, very proud of you and we are grateful to you for the work you do because every single day a life is saved, thanks to the work of the people at Ornge.

Ms. Helena Jaczek: We'll reserve our time, Chair.

The Chair (Mr. Norm Miller): Very well. We'll move to the opposition then. Mr. Klees, you have 10 minutes.

Mr. Frank Klees: Thank you. So just to reconfirm, Minister, you do not know what the budget is for Ornge for the fiscal year 2013?

Hon. Deborah Matthews: I would be more than happy to get you that number to the penny.

Mr. Frank Klees: I find it quite disturbing that you wouldn't know that.

Minister, the briefing note that you read in February referred to a \$275-million bond offering, that we're all familiar with, that was issued in June 2009, and your briefing note showed that that was one of the key issues. Do you recall how much in interest alone had been paid on that bond in just 32 months?

Hon. Deborah Matthews: That number is in my materials. I will get that number for you. I suspect you have it.

Mr. Frank Klees: I have it. I thought you might remember what that is, at least a ballpark. Have you got a ballpark sense of what it was?

Hon. Deborah Matthews: I will certainly get you the accurate number.

Mr. Frank Klees: It's \$47-million-plus. Do you recall what the note said about where those funds came from to pay the interest? That was just interest alone over about a three-year period of time. Do you recall what the note said about the source of the funds to pay that interest?

Hon. Deborah Matthews: The vast majority of funding for Ornge came from the Ministry of Health.

Mr. Frank Klees: So it was 100% actually of that interest payment. Do you recall what the annual payments on that bond are?

Hon. Deborah Matthews: Let me just get that information for you.

Mr. Frank Klees: But, Minister, you don't have to get it for me. I have it here. I want to know if you know.

Hon. Deborah Matthews: Well, if this is a quiz, and you've got the cheat sheet—

Mr. Frank Klees: No, no. No, it's not a quiz. This is—

Hon. Deborah Matthews: —then let me get the cheat sheet too.

Mr. Frank Klees: It's a \$22-million annual payment out of the budget of Ornge. This is not a quiz, Minister. You knew about the \$1 million of salary that was paid to Mazza, but you don't know about a \$22-million annual payment on a bond offering that is part of the budget—

Hon. Deborah Matthews: I actually have that information—

Mr. Frank Klees: Well, no, you obviously—

Hon. Deborah Matthews: You have that information—

Mr. Frank Klees: —didn't have it—

Hon. Deborah Matthews: You know, Mr. Klees, you are—

Mr. Frank Klees: Do you recall the number of years that those payments have to be made under that budget?

Hon. Deborah Matthews: You know what I do recall—

Mr. Frank Klees: No, you don't recall. I'll tell you—

Hon. Deborah Matthews: I do recall that you have made several accusations—

Mr. Frank Klees: —it's 21 years. It's 21 years, and—

Hon. Deborah Matthews: —that impugn the integrity of the people at Ornge—

Mr. Frank Klees: —it amounts to more than a half a billion dollars.

The Chair (Mr. Norm Miller): If we could have one person talking at once, that would be great, please.

Mr. Frank Klees: You don't know, and that's disturbing. What's disturbing is that after two and a half years of hearings over this issue, and after we had the Auditor General's report that wrote scathingly about the lack of oversight on your part and on the part of your ministry over this organization, you are still at arm's length from this. You still don't know some of the most fundamental aspects of this operation. That is what's disturbing to us. You haven't learned anything.

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Hon. Deborah Matthews: Let me tell you what's disturbing to me. When you make allegations in the House—

Mr. Frank Klees: It doesn't matter what's disturbing to you.

Hon. Deborah Matthews: —about the tail rotors of helicopters coming off—

Mr. Frank Klees: You are here to answer questions, and would you please—

Hon. Deborah Matthews: —and then we discovered that your accusations do not apply to the kind of helicopters Ornge flies. Your credibility is shrinking daily, I have to say.

Mr. Frank Klees: Well, I'm happy to let the public determine whose credibility is—

Hon. Deborah Matthews: You talked about a crash—

The Chair (Mr. Norm Miller): If we could have one person talk at once.

Mr. Frank Klees: Chair, if you would remind the minister that she's here not to pontificate but she's here to answer questions, and the fact that she refuses to answer questions indicates she doesn't know the answers.

If you knew the answers, Minister, you would just simply, straightforwardly answer them. Now, I'm asking something that's very critical to the budget of Ornge, and that is that the payment on that bond offering will amount to more than half a billion dollars, and most of that half billion dollars is to pay for those 10 helicopters, which is about three times what it should cost.

Now, here's my question to you: Who, at the end of the day, is responsible for the bond offering repayment to the bondholders?

Hon. Deborah Matthews: I believe that Secretary Wallace has appeared before this committee and answered that question.

Mr. Frank Klees: He did, and so did you. Five months after reading that in fact 100% of the payments for that interest on that bond offering came from the Ministry of Health and knowing full well that the benefits of that bond offering went to pay for the helicopters to deliver Ministry of Health services, you testified here that there is no liability on the part of the government on that bond. Yes, Mr. Wallace testified the same.

I would like to ask our auditor—based on what she knows about that bond offering, about the fact that 100% of the payments have come from the Ministry of Health and the Ministry of Health services are delivered—whether or not the Ministry of Health and the government are in fact liable for that bond offering. I'd ask the Auditor General.

Ms. Bonnie Lysyk: I think it goes back to 2007-08. The statements for Ornge ambulance have been consolidated into the province's summary financial statement, so back in 2007-08, there was a look to see who controlled Ornge, and the decision that was made by the Ministry of Finance in consultation with, I think, this office, as well as an external consultant, indicated that Ornge's statements would be consolidated. So, from an accounting perspective, the debt is recorded on the books of the province today.

Mr. Frank Klees: And the fact that the debt is recorded on the books of the province today, is it fair to say that the province ultimately is responsible for repayment of that debt?

Ms. Bonnie Lysyk: I think it goes back to the point of funding. Over 90-some-odd per cent of the funds from the province flowed into Ornge, and the province was responsible for the interest and debt repayment, and as a result of that, from an accounting perspective, the province takes ownership of the debt.

Mr. Frank Klees: Thank you, Auditor.

Minister, the reason I wanted to have that clarified on the record is because even after two and a half years of testimony, we hear from you—and on a straightforward question about whether or not your ministry is respon-

sible for that more than half-a-billion-dollar debt, you even deflect that, and you refer us back to testimony that was inaccurate. I don't know why people are lining up within our civil service to somehow protect or cause a deflection of responsibility. I just don't understand that.

One would have expected that when we find out what this rogue agency has been up to, rather than defend what's going on, rather than continue to deflect—and you, as minister, rather than continue to have to stand up and say, “I don't know,” “I don't know what the budget is,” “I don't know what our obligations are under the bond issue,” rather than simply say, “Look, I'm going to inform myself. That's my responsibility, and the one lesson I've learned as minister over the last two and a half years is that, yes, we have to delegate responsibility to people to do the job, but it's my responsibility as minister to ensure they're doing their job and to hold them accountable”—when I asked the question as to how many times you have met with the chair and how many times you have met with the CEO of Ornge, your new people appointed, you couldn't answer that. I don't understand why you wouldn't have monthly meetings with these people.

I'm going to ask you another question. There was a time when there were monthly reports to cabinet. We tabled the document here. It was entitled Confidential report to cabinet and it laid out all of the incident reports of Ornge. Does cabinet continue to get those monthly reports?

The Chair (Mr. Norm Miller): You have one minute left.

Mr. Frank Klees: You don't know. Obviously, if cabinet got those reports—

The Chair (Mr. Norm Miller): Let the minister answer.

Mr. Frank Klees: —you would be able to say yes. You don't even know that.

The Chair (Mr. Norm Miller): Minister, go ahead.

Hon. Deborah Matthews: Ornge reports critical incidents to the ministry. Incidents are also reported, if they involve a death, to the coroner. That work is ongoing.

Mr. Frank Klees: When was the last time you saw that report?

Hon. Deborah Matthews: I see a number of reports and I am kept very much up to date on issues related to Ornge, as I am on other parts of the Ministry of Health.

I do have to take exception to a statement you made that impugned the integrity of the entire Ontario public service—

Mr. Frank Klees: I'm happy to make that statement because the evidence is very clear that they were not forthright with this committee when a very straightforward question was asked. The Auditor General has just contradicted their testimony, your testimony, the testimony of Mr. Wallace, the testimony of your deputy. Something is not right here. What you should be doing is exercising oversight responsibilities, not defending the indefensible. That's why we continue to have concerns about what's going on.

Hon. Deborah Matthews: What I can tell you is that I exercised oversight when I replaced the board—

The Chair (Mr. Norm Miller): We're out of time, so Minister, you can answer—we'll move to the government now. You have 13 minutes, so go ahead.

Mr. Bill Mauro: Thank you, Mr. Chair. Minister, would you like to try to use your time here to answer that before I ask a question?

Hon. Deborah Matthews: Thank you. I have exercised strong oversight. As I understand it, you are suggesting that I ought not to have reported to the OPP when I saw the interim report. You think I should have waited for the final report. I will not apologize for referring that interim report to the Ontario Provincial Police. It was the right action to take. It was the right action then, and it would be the right action if I were to take it now.

Mr. Bill Mauro: Minister, as a government member, I just have a bit of an opening comment and then a couple of questions. I think we have about 12 minutes left, Mr. Chair, give or take?

The Chair (Mr. Norm Miller): That's correct.

Mr. Bill Mauro: I think the issue of agencies is in play here generally. All of us, as government members and opposition members, feel challenged from time to time, especially on the government side. I don't think the public understands that there are somewhere north of 600 agencies in the province of Ontario, and the issue relative to oversight of all of these agencies from multiple ministries and the fact that we don't necessarily operate them on a day-to-day basis is something that the public probably does not understand. But as government members who are held to be responsible for the actions of hundreds of these agencies, it's a challenge for all of us.

I don't think there's any disagreement from anybody that what was going on at Ornge was reprehensible, hence your decision to call in the OPP. The fact that Dr. Mazza is being held to account for what appears to be years of reprehensible activities is fine by all of us, I think it's fair to say. One of the things that I'm amazed by is that the notoriety that has come to Dr. Mazza, while it's justified—he has become the lightning rod for all of it. It would seem to me—and perhaps you could make a comment on this—that his notoriety is justified. But for this web of companies and deceit and activity to have continued for this period of time, it would seem to me that there have got to be a few more people involved than just Dr. Mazza. It would seem to me that there's either profound incompetence, blissful ignorance or just turning the other way when it came to what was going on at Ornge.

Maybe I'll just ask if you want to make a comment on that so we can perhaps provide a bit of scope to what's gone on here.

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Hon. Deborah Matthews: You're absolutely right. There are hundreds of agencies. In addition, we have over 150 hospitals. A lot of organizations do their work, and we have in place oversight.

I can tell you that this issue around Ornge is enormously troubling. As you read in the forensic audit report, the web of companies—the forensic audit team discovered even two more entities as they were doing their audit. Clearly that was a serious problem. We rely heavily on our boards, whether it's our hospital boards or our agency boards, to provide that kind of oversight. In addition, within each ministry there are report-backs, but when a board goes rogue, deliberately creates entities, it appears, so that salaries could be hidden, deliberately creates entities that are there not for the benefit of the public but for the benefit of the people there, that is a very serious problem.

I am very pleased with the new leadership at Ornge. I have absolute confidence. The new board are all there on a volunteer basis. They have nothing to gain from the actions at Ornge, other than the sense of satisfaction that comes with providing an excellent service to the people of Ontario.

Mr. Bill Mauro: You—

The Chair (Mr. Norm Miller): Mr. Mauro, sorry to interrupt. The auditor would like to make a comment, if it's fine.

Mr. Bill Mauro: Using our time?

The Chair (Mr. Norm Miller): No, I'll pause your time.

Mr. Bill Mauro: All right.

Ms. Bonnie Lysyk: I just wanted to clarify something based on what Mr. Klees had said. I was saying from an accounting perspective what the issue was. So from an accounting perspective, the debt is recorded on the province's statements. I'm not a lawyer, so from a legal perspective, I can't give legal comment on this. The only thing I could say on that front is that if the province didn't want the assets and the assets went back, that could likely happen under that type of debt arrangement. If the province wanted the assets, then they would continue the payment.

My comments were strictly on an accounting basis, and I'm not a lawyer to comment on the legal basis. I don't necessarily think I've contradicted the minister. I'm just adding clarity to the discussion here by making these comments.

Hon. Deborah Matthews: Could I just ask, then, are you—Peter Wallace made a statement here in 2012. He said, "From a government of Ontario perspective, with respect, we were assured—we understand factually—that there is adequate insulation from the province's credit." Secretary of cabinet Wallace made that statement. The member from Newmarket–Aurora has claimed that you have contradicted that statement. Have you in fact contradicted that statement?

Ms. Bonnie Lysyk: I have not contradicted. I'm just supplementing it by saying that it would depend on whether the province, I think, wanted to keep the assets or not, but I think it requires a legal opinion as to how the debt was structured because I am speaking to an issue that I was not involved in a few years ago. From an accounting perspective, I'm pretty clear. From a legal

perspective, I would say who wants the assets—if the province wants the assets, they continue paying, but from a legal interpretation of how those assets were sheltered, in the way that the debt was structured, there's a legal opinion that's required there.

The Chair (Mr. Norm Miller): Okay. We'll move back to the government: Mr. Mauro.

Mr. Bill Mauro: Thank you, Mr. Chair.

Minister, you called in the OPP and you did that—the \$1.3-million number I think it's fair to say was the trigger. Somewhere in that chronology that was the trigger or one of the triggers that prompted you to call in—

Hon. Deborah Matthews: So when I learned how much he made?

Mr. Bill Mauro: Yes.

Hon. Deborah Matthews: As I say, I'm not at liberty to disclose that number, but I think media reports have been accurate.

Mr. Bill Mauro: The reason I just mention it is because today, in their questions, the opposition members on committee spent a fair bit of time—of their 25 minutes each—questioning the difference between the \$1.3 million and whatever it actually is and this \$2.5-million number that's out there now, and the fact that somewhere in this chain of events the OPP communicated back to the ministry that disclosure of that number, according to the OPP, or other information in the report, according to the OPP, was fine if the ministry or the minister would have disclosed that. They spent a fair bit of time on that point. I'm left to guess that they clearly feel that's important, and I think the implication was that somehow the ministry was holding back information.

The reason I opened by saying that at \$1.3 million you'd already called in the OPP, or whatever that number is that you can't disclose—if there's a higher number why in anyone's name would you, as the implication seems to be, want to prevent disclosure of that? The principle that you were standing on, it seems, is that on ministry advice and on your own personal take, I would guess, the OPP are involved; it is now hands off. That's generally a principle that all of us, as government members, are advised: Once there are legal ongoing, you stay hands off. If someone's a crook at \$1.3 million, they're going to be a crook at \$2.5 million, so, quite frankly, I didn't necessarily understand why the opposition was spending so much of their time on that. I'm just asking you—and I have, I think, time for one more question—if you could provide your comments on that. At \$1.3 million, or somewhere in that range, you had already called in the OPP—good move. Of course, at \$2.5 million, the same thing would have happened. It would have just disclosed even further egregious behaviour. So I wonder if you'd want to—

Hon. Deborah Matthews: The chain of events: I learned what the compensation was; I ordered a forensic audit; that forensic audit reported back, and then—but they reported back not on the compensation issue; they

reported back on other goings-on within Ornge. That's what I thought deserved the attention of the OPP.

So you're absolutely right. Is there anything different I would have done, any different actions? No, absolutely not.

In fact, when the ministry officials reviewed the findings of the forensic investigation, they lined it up with what steps had already been taken, and they found there were no more actions that needed to be taken as a result of the forensic investigation. Had there been further actions, they would have briefed me on what those further actions ought to be.

Mr. Bill Mauro: My last question—and I don't know if we'll have time for one more, but in my last one I want to go to—we're spending a lot of time on the financial side. All of us agree there were issues there, and the OPP are dealing with that. I want to talk a bit about the operational side of Ornge and where we are today.

Ornge and air ambulance services are obviously provided throughout the province, but I think as a northerner, many of us certainly feel like we rely on these services perhaps to a greater degree than other areas of the province. So I want you to have a minute to respond to issues related to safety and staffing and where we are today relative to where we may have been three and five years or six years ago, because that's still not even really clear to me. As a northern member, I am very much interested in where we are today, from your perspective, in terms of the safety of the operation of Ornge, in terms of their ability to respond to emergencies, either with fixed-wing or with rotary today or over the course of the last couple of years since the changes have begun at Ornge.

Hon. Deborah Matthews: Ornge's budget is \$152 million. That number has been frozen since 2011. I do meet with the chair and the CEO regularly. I think I meet with them next Monday for an update on what's happening at Ornge. I can tell you they are absolutely committed to measuring how well they are doing on metrics that matter to patients.

You're absolutely right when you say that the people in the north look at Ornge as their lifeline. Because of geography in particular, people in the north rely on Ornge. They are very proud of the work that Ornge does. I've spent time with people in the north who have first-hand experience with Ornge, and they have nothing but enormous gratitude for the services that are provided at Ornge.

The senior leadership at Ornge is ensuring that there's appropriate staffing. As you know, there's been an expansion at Thunder Bay so that there's more service available for the people in the northwest. They report on response times. They report on system issues. I have to say that Ornge is now really taking a lead in developing a more integrated critical care response system for the people of Ontario to make it even faster for people who have been critically injured to get to the care they need.

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I think it's important that—most people think of Ornge as responding on-scene, but, in fact, over 90% of Ornge's flights are transfer of patients from one facility to another facility. But those critical incidents, where you need a response quickly, you need to get the patient to the right place as quickly as possible, Ornge is really driving some system change to make that even better for patients.

The Chair (Mr. Norm Miller): Ms. Jaczek?

Ms. Helena Jaczek: Thank you, Chair. Mr. Klees, in his opening remarks, referred to some sort of standing orders that this committee has in terms of document release. I'm only aware of a succession of motions to us, the ministry, to release various documents at various times. Would you agree that that's the way you perceive how this committee—

Hon. Deborah Matthews: That has been my understanding, that this committee has made a number of motions—as I say, requested two million documents and received two million documents. Ornge and the ministry take requests from committee very seriously. If you lined up all of the documents, you'd get from here to Montreal with documents supplied to this committee. I think the ministry and Ornge have been very responsive to the requests from this committee.

Ms. Helena Jaczek: So, further to that, you have agreed to table any further information related to Chris Mazza's earnings in a comprehensive format. You alluded earlier that you would be happy to do that—

Hon. Deborah Matthews: Absolutely.

Ms. Helena Jaczek: —so can we again hear that assurance, that in the spirit of openness and transparency, that whatever information you have that is requested by this committee, that the ministry and Ornge will obviously do their very best to provide all that we require?

Hon. Deborah Matthews: I think it's important that there be clarity around that issue, because I think there's—and I understand, when you get as many documents as you've received, it can be onerous to go through them and organize them. So that, I believe, is the request from committee, that there be a summary document that wraps up information requested by this committee with regard to compensation. As you will recall, it was MPP Sandals who actually asked for all the compensation, because, as you were hearing about compensation, it became clear that there were different sources. So the request was for all information—salaries, stipends, expenses, bonuses, loans—everything be provided to committee that has been provided to committee. The work is under way now to consolidate that into one summary.

Ms. Helena Jaczek: Do we have any time left?

The Chair (Mr. Norm Miller): Yes, you have a minute left.

Ms. Helena Jaczek: Okay. So, Minister, I think we were all really horrified to learn of the crash up in Moosonee. Four crew members died. I just wondered if you could talk to us a little bit about your personal reac-

tion when you heard about that, and actions that you took.

Hon. Deborah Matthews: Well, it's obviously, devastating, devastating news. I was able to attend three of the four funerals and the memorial service. I spoke to parents, wives, children of people who had been killed. Any safety issue is taken extremely seriously. The Transportation Safety Board is undertaking an investigation. The people at Ornge were as devastated—I mean, this is a terrible tragedy for that Ornge family. Any steps that need to be taken to further enhance safety are being taken.

Ms. Helena Jaczek: Thank you.

The Chair (Mr. Norm Miller): Yes. The Clerk will clarify that it's standing order 110(b) that the committee operates under.

The Clerk of the Committee (Mr. William Short): Yes, so it's not the committee standing orders. We operate under the standing orders of the House, so when there's a document request, or a motion presented in the committee to ask a ministry or an agency to provide documents, it's under standing order 110(b), which states that "Except when the House otherwise orders, each committee shall have power to send for persons, papers and things."

Ms. Helena Jaczek: And that has been complied with.

The Clerk of the Committee (Mr. William Short): Correct.

Hon. Deborah Matthews: So just to be clear, Mr. Klees was wrong when he said there was a standing order?

The Clerk of the Committee (Mr. William Short): No, I think it's just a misinterpretation of two different words. The standing order was used by the House, by the committee, in order to put forward the motion to the Ministry of Health and Long-Term Care.

The Chair (Mr. Norm Miller): Thank you very much for coming before the committee this morning, Minister, again.

Hon. Deborah Matthews: My pleasure.

The Chair (Mr. Norm Miller): Hopefully it's the last time. Thank you very much.

We're recessed until 12:30 this afternoon.

The committee recessed from 1025 to 1236.

The Chair (Mr. Norm Miller): Okay. We're in open session to begin with, here. I believe Mr. Klees has a motion he wants to move. Go ahead, Mr. Klees.

Mr. Frank Klees: Yes, I do, Chair. Thank you. This is in follow-up to this morning's appearance before the committee by the Minister of Health, in which I asked her to table the information that she insisted was provided to the committee through the request of information pursuant to MPP Sandals's motion. I would like to make that a formal motion of the committee, just to have it on the record. If I could, I'd like to read that motion into the record.

The Chair (Mr. Norm Miller): Please do.

Mr. Frank Klees: I move that the Ministry of Health table the documentation with the committee, before the

end of this day, that the minister has claimed relates to Chris Mazza's income totalling \$9.4 million; and

That evidence be provided that this information was contained in the documents provided to the committee in response to MPP Sandals's motion.

The Chair (Mr. Norm Miller): Very well. Any discussion? Mr. Mauro.

Mr. Bill Mauro: Did the minister say anything in terms of the timeliness of the motion? Did she say that she could get the material by the end of the day?

Mr. Frank Klees: She did. She undertook to do that.

The Chair (Mr. Norm Miller): Ms. Jaczek.

Ms. Helena Jaczek: I'd just like to say that certainly the minister seemed very confident that this information was readily available and appeared to me to be totally open to providing that information, so from our side, I don't see that we would have any objection.

Mr. Bill Mauro: She said she had already provided it, I thought.

The Chair (Mr. Norm Miller): Ms. Gélinas.

M^{me} France Gélinas: I would just add that I'm very much looking forward to seeing how we can get to \$9.4 million. The amounts are inexcusable. From what we have in the forensic audit, at \$7.6 million, it is already inexcusable. If there is more, then I am certainly interested in finding out.

The Chair (Mr. Norm Miller): Okay. Any further discussion?

Mr. Bill Mauro: Yes. I'm not familiar with the scope of the OPP investigation. I don't know if maybe anybody is. The \$1.3 million or the \$2.5 million or the \$8 million or the \$9.3 million: Would that be information we'd be likely to see as a result of the OPP investigation that was ordered at the \$1.3-million threshold?

The Chair (Mr. Norm Miller): I'm not sure that's relevant to the question we're about to vote on. So any further discussion? All in favour? Carried.

So we go in camera to work on—

M^{me} France Gélinas: Just one minute before we go in camera.

The Chair (Mr. Norm Miller): Yes, Ms. Gélinas?

M^{me} France Gélinas: I don't think mine will be too controversial. I am absolutely delighted that, for the first time ever, the Legislative Assembly has a woman as an auditor. Unfortunately, the French report still refers to her as a man. I don't know who we tell, but "Bureau du vérificateur général de l'Ontario" is right on the front page. It means that you are a man, and I know for a fact that I'm really proud that you are a woman.

Mr. Frank Klees: Perhaps we need clarification.

Interjections.

M^{me} France Gélinas: I don't think this needs any clarification, so I would please ask that attention be given to this momentous occasion that we finally do have a woman as the Auditor General.

The Chair (Mr. Norm Miller): Thank you for raising that point. Now we will go into closed session to do our report writing.

Mr. Klees has one more question.

Mr. Frank Klees: So my question to the Clerk would be, if for some reason the request of this motion has not been complied with by the end of today, what recourse does the committee have to contact the minister and to ensure that this motion is complied with, seeing as we may only have one more day of sitting?

The Chair (Mr. Norm Miller): And, so far, we have no days—after today, unless the House leaders agree to give us a day to sit, we don't have any time to sit.

We'll pass it on to our Clerk.

The Clerk of the Committee (Mr. William Short): So two parts to your question. The first answer would be that in the past, this committee has undertaken a number of requests from Ornge, from the ministry, from whoever the case may be, and if the deadline has not been reached, sometimes the person has gotten in touch with you and said, "We'd like an extension because we required more information or more time," and then the committee has made a determination as a whole whether or not this is acceptable to the committee. So that would be up to you as a full committee to decide. If the ministry does not get back to you by the end of the day today and gives a reason or doesn't give a reason, then the committee has to make a decision as to what to do at that point.

To the second part, you would be able to make that decision at your next scheduled meeting, which will be—presuming the House comes back following Family Day, the Wednesday following Family Day would be the next day that this committee would be meeting, because your request that you put in to the House leaders was quite specific, that it would be for report writing, and report writing only, on your interim report number 2.

Mr. Frank Klees: I'm hoping this is just technical, but we're really talking about an important principle here of the minister having claimed that information was delivered, and we're asking for evidence of that. So the possibility is that if the ministry doesn't comply by the end of today, then this committee won't know and won't have available to it any of that information until February 18. Is that correct?

The Clerk of the Committee (Mr. William Short): I don't want to try to predict the future, but if the ministry didn't have it at the end of today, maybe they would have it at the end of tomorrow, at which point I would still send it out to the members of the committee. I would do what my office always does. We follow up with someone when there's a document request that's been out there. We get information on when they're going to get it back to us. As soon as we receive the information, it gets distributed to the members of the committee.

I don't want to presume what's going to happen at the other end. If you've asked for it at the end of the day today, at the end of the day today I'll let you know what my office has received.

Mr. Frank Klees: Okay. Thank you.

The Chair (Mr. Norm Miller): Okay. Very good.

M^{me} France Gélinas: Sorry, Chair.

The Chair (Mr. Norm Miller): Yes, Ms. Gélinas?

M^{me} France G  linas: I'm not even sure if we deal with this, so you can tell me. But I'm pretty sure I'm supposed to deal with this in open session. I would like the redacted version of the documents that we have received to be made public, so the Ministry of Health and Long-Term Care emergency health services branch final report of Investigation of Ornge and Related Entities, dated June 2012. Are those public or do I have to make a motion to make them public?

The Chair (Mr. Norm Miller): That is something the committee needs to decide, and it was going to be part of our discussion in camera.

M^{me} France G  linas: It was going to be part of our discussion. I will hold and discuss it in camera.

The Chair (Mr. Norm Miller): Yes, Mr. Mauro?

Mr. Bill Mauro: Thank you, Chair. So on the motion, though, on the timeline, the reason I asked when we were debating the motion, before we all voted and passed it unanimously—I'm wondering if the Clerk recalls if the minister, in fact, agreed to being able to have the documents by the end of the day today? I know she unequivocally stated that she'd be happy to supply the information. I think she might have said the information was already supplied. I don't remember that part for certain, but I'm just trying to determine if you recall if, in fact, she did say that the information would be here at the end of the day today.

The Clerk of the Committee (Mr. William Short): If you want an exact answer on that, we would have to get Hansard, and if you need the answer right now, we would have to recess until—

Mr. Bill Mauro: So you're not sure?

The Clerk of the Committee (Mr. William Short): Not off the top of my head. I don't remember exactly—

Mr. Bill Mauro: Fair enough. No, that's fine. Thank you.

The Chair (Mr. Norm Miller): Very good.

Mr. Frank Klees: Can I just ask why we wouldn't be able to have the discussion about this in open session?

The Chair (Mr. Norm Miller): We normally would have it in closed session because the documents are both confidential at this time—so that we don't inadvertently release something that is confidential that we may not wish to release.

Mr. Frank Klees: Okay.

The Chair (Mr. Norm Miller): And you can do whatever you want in open session after we've had that discussion.

Mr. Frank Klees: Okay.

The Chair (Mr. Norm Miller): Okay. So we're going to go into closed session now.

The committee continued in closed session at 1248.

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Mercredi 26 février 2014

Standing Committee on Public Accounts

Committee business

Comité permanent des comptes publics

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 26 February 2014

Mercredi 26 février 2014

The committee met at 0902 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Norm Miller): I'd like to call the meeting to order. The first item of business—I believe we have a motion that was filed and is about to be moved. Mr. Clark?

Mr. Steve Clark: Thanks very much, Chair. I move that the Auditor General conduct a review of the winter road maintenance contracts negotiated on behalf of the government by the Ministry of Transportation.

This report should include, but not be limited to, a focus on the following issues:

- (1) the number of vehicles;
- (2) circuit times;
- (3) the proper and efficient use of chemical melters and salt on behalf of the contractor;
- (4) hours of operation; and
- (5) response times.

Finally, this report should be completed and reported to the House no later than the end of the calendar year 2014.

The Chair (Mr. Norm Miller): Would you like to make some comments?

Mr. Steve Clark: Yes, I'll just make a few comments. I'm sure Mr. Yurek would like to make some as well.

A number of members of provincial Parliament in our caucus have expressed concern, both to each other and to ministry officials. Many, like myself, have met with the particular contractor and the ministry. More and more, we see concern expressed by drivers along provincial highways about the standards and the response for winter maintenance contracts this year.

I just spoke briefly to the Auditor General. Perhaps she might want to make a few comments as well. I know that this issue has been studied before, but I know, on behalf of the Ontario PC caucus, that we believe it's time for another review.

The Chair (Mr. Norm Miller): Very well. Ms. Gélinas.

M^{me} France Gélinas: I couldn't agree more. This winter has been especially harsh in northeastern Ontario, and the road maintenance has been atrocious.

I realize that it will be very expensive on the contractor to do their work this year just because it has snowed 10 feet in Nickel Belt this year. It's just un-

believable, and we go from minus 40 degrees to freezing rain in a matter of a couple of days. Road maintenance, I have no doubt, was very difficult. It seems to me, and from all of my constituents that have come to talk to me, that the contractors know they are going to lose money this year, and they are cutting back. Sometimes, two days after it has snowed, my road has not been plowed. It was never like that before.

We have a new contractor for most of the areas of Nickel Belt that got the new equipment. I was there when the Minister of Transportation came to Nickel Belt, and I saw the new trucks and I saw all of this. The equipment is there, but they are not deploying it in the way they are supposed to. Things like: There has to be three centimetres of snow for the plow to come—well, it seems like they'll come and measure snow at the only part of the road that does not have three centimetres and then justify not going out until it snows again. The number of accidents, the number of road closures and the number of school bus cancellations are not justifiable. The road is how we get to work. It's how we live our lives. We need our roads to be maintained, and this year has been atrocious. It needs to be looked into.

I've done a lot of work locally with our local representative of the Ministry of Transportation. I've had numerous talks with the Minister of Transportation. It is not getting better. Something's wrong.

The Chair (Mr. Norm Miller): Thank you. Mr. Yurek, did you wish to comment?

Mr. Jeff Yurek: Sure. Thanks, Chair. Yes, I think it's very important that we do a review of winter road maintenance. I've had a meeting myself with the MTO in regard to southern Ontario. It's been a crazy year.

I think the government itself is setting the standards and seeing that these standards are enforced. I think it's very important, and the fact that the Minister of Transportation has come forward and apologized to the Ontario public, that they're failing Ontario in road maintenance—maybe it's time we do an overview of the entire area to see where the deficiencies are lying and, in fact, maybe raise those standards so that, when we do have the worst of winters, our standards are able to handle and maintain the roads, through our worst and best winters, so that people are safe throughout the province and our road closures are minimal, but are done efficiently and effectively.

The Chair (Mr. Norm Miller): Very well. Mr. Mauro?

Mr. Bill Mauro: I think that Mr. Yurek might have just answered my question. So, the scope we're talking about here is the entire province? All provincial highways?

The Chair (Mr. Norm Miller): I believe so. Maybe I'll ask the auditor to comment on what this motion would mean for her in terms of workload and—

Mr. Bill Mauro: Sure. Before I go on, yes. I'd be appreciative of hearing that.

Ms. Bonnie Lysyk: Okay. I'll just comment that a similar type of audit was done in 2004, where the look was at the winter road contracts, and there were a number of recommendations at that point. That's 10 years old, so we do have some previous history to build on.

The way the motion is worded, where it says "that the Auditor General conduct a review of the winter road maintenance contracts," allows us to apply assurance standards in determining how we scope this audit.

Naturally, when we do audits, we don't always look at 100%, so we wouldn't look at 100% of the road system in Ontario. What we would do is make some reasonable, rational, analytical decisions as to how to look at this.

So, the wording allows us to scope it to a viable level of work and still give you the information you need in a reasonable period of time. So it isn't 100% of the roads. Having said that, the contract coverage—we would look at the bulk of the contracts that cover. It's the depth that we would do within each of those contracts that might vary, depending on what we see as we go through the audit process.

Mr. Bill Mauro: Well, then maybe I should ask the Conservatives, who have moved the motion, if they're comfortable leaving it up to the auditor to decide what roads are checked, or did you have something more specific that you'd like to speak to in the motion?

Mr. Steve Clark: No. As the auditor said when she mentioned to me at the start of the meeting that there was an existing report—I'm satisfied that we can provide input to the Auditor General, but I'm confident that this motion and the existing study will provide us the results that we're looking for.

The Chair (Mr. Norm Miller): Auditor, go ahead.

Ms. Bonnie Lysyk: I'll make one comment on this, in terms of the time frame. Our resources are a bit stretched because of a couple of specials and because we're right into the work for the annual report that comes up in December. Because of the depth of the value-for-monies, there's a lot of fieldwork that's done.

I would just ask, with respect to the motion—we would definitely, if it was the wish of this committee, conduct this work. I would just ask that we have a little flexibility. It says "no later than the end of the calendar year 2014." If that could read "March 2015"—the main reason is that it does conflict with the December annual report, where there are a number of projects that are already under way for that report.

Having said that, we will try and meet December, but just not to disappoint you, I'd rather put a reasonable date in there for it, and that's March. I know it seems, when

you sit back, that's a long period of time, but these audits, in order to get the right information and confirm everything, take a while.

0910

Plus, our staff, in a case like this one, would likely go in the field, so there would be some visits to the communities. Given where we are in the time of year, we might need to see what this looks like next winter as well, if there's a melt coming.

These contracts, we know, also look at the summer maintenance, so we could also look at how these contracts work during the summertime in terms of gravel roads and that.

The Chair (Mr. Norm Miller): Yes, Bill? I don't think you were finished yet.

Mr. Bill Mauro: If I could ask the auditor: Have you had a chance to review the 2004 report?

Ms. Bonnie Lysyk: Just broadly. I'm not reading it in detail, but I can just say that I can give you a couple of the comments that were in that report, if that's what you're—

Mr. Bill Mauro: Please, yes.

Ms. Bonnie Lysyk: Specifically, we commented that at the time, the ministry "did not have assurance that its oversight of the work of contractors was effective and efficient; did not have adequate procedures to ensure that sanctions for contract violations were administered in a consistent manner; and could not readily combine inspection results with other data, such as complaints by highway users and service-level data, to provide comprehensive information about the performance of contractors and ministry inspection staff."

At the time it was looked at, there were some recommendations.

Mr. Bill Mauro: So it seems like the concern then was more about contractor performance than the requirement from the ministry in terms of what was contained in the contract and what was expected to be done—but more about what the contractor was actually doing.

Ms. Bonnie Lysyk: Yes, it was monitoring the contractors' performance and the particular information that was being received in order to enable monitoring of their performance.

Mr. Bill Mauro: Mr. Chair, listen: I, clearly speaking in the northern Ontario context, as do you—and I heard you speak to this in the Legislature a little while ago, a couple of weeks back, I believe, or a week or so back—we were just here for a week—or maybe it was before the break in December; I don't recall. I can tell you that in my riding of Thunder Bay–Atikokan—and we welcome the motion, and as Liberals, we're very pleased to support this and be party to this. As Ms. Gélinas has mentioned, it has been an incredibly harsh winter in all of Ontario, especially with the amount of snowfalls coupled with the incredibly cold weather that is an odd coupling of the dynamic, I would say, when it comes to snow removal and putting undue—not undue; it's unfair of me to say "undue"—a different type of pressure on the snow removal contracts.

Having said that, it's my belief that what we're seeing is more likely to be—and I'll be interested to see what the review brings back. We are more likely to see issues related to contractor performance than issues related to what's contained in the contract in terms of the expectations that are placed on the contractor.

I've spoken a number of times and written letters and made numerous phone calls to the MTO in my riding, and I can give you a very clear and specific example of the problems as I see them. When I leave Thunder Bay and head west in my riding—Atikokan is two hours west—I turn off Highway 17 onto what is Highway 11, going to Atikokan, which is two hours west, almost at the western boundary of my riding. The contract work and the condition of the highway change immediately, and has for years—two or three years—when you reach a point where the contractor responsible for the clearing changes. So for two or three years, I've been writing letters and calling on this. People in Atikokan will have a very clear understanding of what I'm saying.

For me, it was very obvious: The issue was not about what was expected in a contract in terms of performance, because you could leave one section of highway where the highway was as clear as the tables that we have our papers set on here today, and immediately, as if you had flipped a switch, you would be on snow-packed, slushy road that obviously had not been maintained. Clearly, it was the same highway classification, the same expectations, the same weather—no change in anything. I don't think we could have a more clear example of a contractor not doing what was expected to be done.

I wanted to go back, though, and speak a little bit to what Ms. Gélinas said in terms of what's changed. In my mind, it has improved. It's sad to hear that the results, perhaps, in her riding have not changed. I can tell you, going back a few months now since I've been advocating on this issue, there has been a marked improvement, and the people in Atikokan very clearly will support that, but I guess I want to underscore for me—when you do your work, I'm hoping we'll see a clear distinction in terms of what the MTO, in their contracts, has expected from the contractor and what the contractors are actually doing.

I think it's also important to note that the minister has been very active on the file. We've seen very recently that a number of contractors in northern Ontario have actually been fined. Three, or five, different contractors have actually been fined. This goes back and predates the call for this particular motion, where he has been very active on file and in fact has talked about how much more equipment has been put on. So perhaps the scope of the motion can speak to whether or not the amount of equipment that's available or expected from the contractors is meeting the test as well. Do we need more equipment? Do they have enough equipment?

The last point I'd like to make too is in regard to a point that Ms. Gélinas raised. I'm not sure she meant to say this or she was meaning to say it—I'm not sure—but there was an implication, intentional or otherwise, that the amount of snowfall and the cold weather coupled to

put the contractors in a position where, if they did what was expected from the MTO, they couldn't make money. In other words, "It's snowing so often and the weather conditions are so harsh that we can't keep up, and if we have to keep up, we're going to lose money. So we're not going out on the roads."

I hope I'm wrong, but I can't believe that's the case. I can't believe that a contract by MTO would be structured in such a way that if it snows an inordinate amount, the contract would be structured in such a way that the contractor has to back off and say, "I can't go out on the road because if I do, I'm going to lose money."

Many of us around here have municipal experience. We are party to municipal contracts for snow removal, and I know they were never structured that way municipally. I can't imagine we would structure them that way provincially. So I would hope that you would look at that.

I would leave for Ms. Gélinas my opinion that it's very unlikely that that's the case because, as I said in my example, I can leave one piece of highway where it is as bare as this tabletop and when I go another 100 yards, the road conditions change immediately. So if one contractor is able to do it appropriately and quality and meet a standard—I think this comes down to individual contractors, and the minister fining these people has really brought about a significant change in the behaviour.

I'd be interested to know that the contract is not structured in such a way as to limit the ability of these people to go out and do the work they're supposed to do.

The Chair (Mr. Norm Miller): Thank you for your comments. Did any member wish to move an amendment to change the date or—

Mr. Steve Clark: I'd like the date to remain the same, but I recognize that if the Auditor General can't meet that and it is in fact going to be March 2015, she can report back to the committee. I'm not upset about it. I recognize that there are staffing issues. She's got a lot of reports that have to be generated. I just want the report as soon as possible.

The Chair (Mr. Norm Miller): Okay. Very well. Then—sorry, Ms. Gélinas?

M^{me} France Gélinas: Just to clarify what the honourable member was talking about, first of all, if it takes till March, I certainly agree to the new deadline. I would like it as soon as possible, but snow removal is pretty good in July. You can come, it's always done on time, on budget. It goes pretty good. So I understand that you may actually need to be there when it's snowing.

The second part is that constituents come to me and say, "It's cheaper for the contractor to take the penalty than to do the work." So when there are some circumstances that come with harsh weather, really cold with lots of snow, we hear that it's cheaper for the contractor. They'll pay the penalty rather than do the work and give themselves three or four days till it's not as cold etc. to do the work. So if it's not true, I hope you will be able to put that to rest, because it leaves people in Nickel Belt with this idea that the government contract is not serving

us well and nothing good comes of that. So I think your work will be able to shed light on this and see where the truth lies.

0920

The Chair (Mr. Norm Miller): Okay. Yes, Mr. Mauro.

Mr. Bill Mauro: Thank you. For the auditor, too, and the Conservatives having moved the motion, is the scope then—I guess I'm curious how far back we're looking. Are you interested in a review of the contractors who are presently doing the work today, the contracts that are in existence today, or is the scope of the motion that you will go back to previous contractors?

Ms. Bonnie Lysyk: To start with, I think we'd get a sense of, let's say, the 12-to-16-month period and then we'd go forward. I'm not sure, unless the committee wants information on the past, whether there's value to looking at the past versus the current contracts going forward. But I'll put that to you.

The Chair (Mr. Norm Miller): Mr. Clark.

Mr. Steve Clark: I feel that that's a good review, to go back 12 to 16 months. There's a perception out there that with these new contracts, there has been some significant change. I'm sure some members around the table will agree that there's a perception that the contract was significantly changed. I've got constituents who feel that there are less vehicles on the road and that the response times are not what they were with the previous contractors.

In my neck of the woods, with 416 and 401 and some of the other provincial highways, people know who the previous contractor was, and there's a perception that they did a significantly better job than the present contractor. Was it because the contract was changed? Was the level of service reduced? These are some of the things that I think that the Auditor General should look at. That's why we structured the five points in the motion.

The Chair (Mr. Norm Miller): Mr. Mauro.

Mr. Bill Mauro: But how will you know that unless you go back far enough? How are you going to compare? What do you have to compare it to if you only go back 12 months? So I'll support that. I think that goes to the root of what we're trying to find out. But how are you going to know unless you go back far enough? To Mr. Clark's point, I'm not sure—it seems to be a bit of a paradox there.

The Chair (Mr. Norm Miller): Auditor?

Ms. Bonnie Lysyk: Looking at this audit, what we do usually is, we get a lot of data—so we'll accumulate data first to get a sense of what's happened. We go back for data longer than 12 to 16 months—we may go back five years—and we'll see what the statistics look like on vehicles, circuit times etc. Then, what I meant when I said 12 to 16 months is, we'll focus some of the more detailed testing on more current contracts just to see, on a go-forward basis, how the current contractors are operating in accordance to their contracts.

Mr. Bill Mauro: If I could, my final point, Mr. Chair, would be—again, Ms. Gélinas raised the issue of the

structure of the contract that I tried to address previously. It would be really remarkable if we have structured a contract in such a way that a contractor would not go out on the road because they lose money in continuously adverse weather conditions, and it would be cheaper for them to pay the penalties that are included in the present contracts than it would be for them to actually go out and do the work. If that's the case, I'm very interested in hearing that. As I said, I'd be very surprised if that's the case, but I just want to underscore that I think that's really a salient point that we need to draw out of this exercise.

The Chair (Mr. Norm Miller): Okay. So I think we're done debate on this—Mr. Fraser, yes?

Mr. John Fraser: One quick question just for my own edification, since I'm new here. As part of the scope of this motion, are you comparing contracts? In other words, we just had a comment from Mr. Clark in regard to whether there's a difference in the contracts. I don't know if that's in this motion or will that be—

Ms. Bonnie Lysyk: That would be something we would look at. We would look at the contracts, see similar differences using a template; what process did they go through on those contracts, if we see differences. So we would look at that—

Mr. John Fraser: In other words, that there was a change in contract, or a new contract compared to the last contract—

Ms. Bonnie Lysyk: Yes, how that transitioned. We would consider that.

Mr. Bill Mauro: And I would just—sorry—again, perhaps ask the auditor, I think it would be relevant and informative if we could find out the positioning of the contracts today in terms of what's expected from the contractors currently and penalties associated with non-performance, compared to where we were when the service was first privatized by the Conservatives in the late 1990s. For me, that would contain some relevance. I think for people in northern Ontario, it would contain some relevance. I'm just wondering if the movers of the motion would feel that that would be appropriate so that we could have a sense of where we started and where we've ended up.

The Chair (Mr. Norm Miller): Ms. Jaczek.

Ms. Helena Jaczek: Very much along the same lines, simply reading the motion the way it's worded now—when I saw it last week, the first thing that I was concerned about was, has there been a change in the contract? Is it the contractor? Is it the contract? Even though it says, "This report should include but not be limited to a focus on the following issues," I think we need to at least specify that the AG should look at the previous contract, the current contract—performance under the previous contract, performance under the current contract. I'm not sure, even from this, when this particular contract was let in terms of timing.

So I would like to somehow work some more specificity into what we're looking at, unless you can give us some sort of assurance. Perhaps you could work in some wording to really show us exactly what the scope is

going to be to get at the important information that we have that maintenance is clearly not what is expected in some areas of the province.

The Chair (Mr. Norm Miller): Auditor?

Ms. Bonnie Lysyk: Obviously, we haven't been in the field or we haven't had discussions with the ministry around this. The information we have at this point is based on a few conversations over the past few days. So I think we need some more time to actually have that discussion around what the scope is more specifically. But I can assure you that if you've put this request into Hansard, which it now is, we'll take this comment into account even if it's not in the motion particularly. It would be something we would look at.

When you do these types of audits, you sit back and you look at the whole picture around this program, and you do get an understanding of the history of the current situation. We look at data from the history of the current situation, and where we can get comparisons, we will lay that out in the report.

The Chair (Mr. Norm Miller): Mr. Mauro?

Mr. Bill Mauro: I just need to be clear, then. My last comment was about trying to determine where we started when the service was privatized in the late 1990s and where we've arrived today. Did you just say that that will be part of the scope? Do we need to amend the motion to make it part of what you'll bring back to us? It goes to the time frames and some of the other things where the motion is a bit vague and open-ended and leaving a lot of discretion with the auditor in terms of what will be brought back. I think it's fair to try to get some specificity around exactly what you'll be coming back to us with.

With no disrespect, I'm not completely comfortable leaving it up to the auditor completely when it comes to some of these decision points. I would wonder if we are going to see where we started and how the contract details and requirements were when the service was first privatized, compared to where we find ourselves today.

The Chair (Mr. Norm Miller): It seems like the auditor said that if your comments are in Hansard then she will work those into the—

Mr. Bill Mauro: So it's not necessary for us to amend the motion?

Ms. Bonnie Lysyk: I don't think so. What we do—in the introduction of all the reports that are written by the office, that are requested by the committee and even that are done normally in the regular process of the office—is outline the history around programs. So it's not unusual for us to sit back and say, "Here's the history of the Winter Roads Program." We can go through that.

Initially, we did think that we'd likely look at reviewing the contracts to ensure contracts had adequate provisions for compliance with the winter maintenance standards and that MTO has the appropriate oversight mechanisms in place to ensure that contractors are meeting their commitments in the contracts—we have that—where maintenance standards are not being met, that there's timely enforcement action being taken to address these deficiencies to ensure road safety. The

penalty provisions in the contract should be sufficient to prevent reoccurrences of the deficiencies in the future. We look at that in the realm of the big picture. We will have data in terms of the history of how roads were over the last few years too.

When I say "audit," we can't look at everything 100%. So we start with the big picture and we narrow down. When all the discussion here is captured in Hansard, we will definitely go through Hansard and say, "Okay, here's what the committee wanted us to cover," and we'll make sure we include that.

Mr. Bill Mauro: I think the comparison of where we started and where we are today is important because it may underscore the distinction of what has occurred this winter in terms of conditions. I really do believe that's possible. It won't be the only factor, I'm sure, but—

The Chair (Mr. Norm Miller): Good point.

France?

M^{me} France Gélinas: I'm not going to let an opportunity like this go by. If we're going to go back and look at when it was done by public servants—when it was not privatized at all, what did it look like? If you're interested in how this program has evolved and you're going to go back to the 1990s when the Tories privatized this, I would say, have a look at how we had it before we went down the privatization road, before we had all of those contracts to maintain and penalties to take and all of this, when we just had civil servants who did their job because that was their job.

The Chair (Mr. Norm Miller): Ms. Jaczek.

Ms. Helena Jaczek: Yes. Further to all the discussion that's been going on, I find it hard to vote on a motion that has some ambiguity, and I'm wondering if we couldn't quickly incorporate some of what we've discussed into a motion that lays it all out.

I appreciate what you're saying in terms of your comments, Bonnie, but, you know, we're usually fairly specific around here, and I think that it would be good to have something a little bit tighter.

The Chair (Mr. Norm Miller): If you do want to amend it, we'll need to recess so you can get it specifically amended.

Mr. Bill Mauro: We can do that.

Ms. Helena Jaczek: Yes, we would like to move that.

The Chair (Mr. Norm Miller): Okay. Then we will have a recess for five minutes, if that's enough time.

Ms. Helena Jaczek: Ten.

The Chair (Mr. Norm Miller): Ten minutes? Okay, a 10-minute recess, and we'll reconvene.

The committee recessed from 0931 to 0942.

The Chair (Mr. Norm Miller): Okay, we're back in session now. We have a motion that seems to be a completely new motion, not an amendment to the motion, so—

Mr. Steve Clark: Chair?

The Chair (Mr. Norm Miller): Yes, Mr. Clark?

Mr. Steve Clark: I am not withdrawing this motion. Mr. Barrett tabled this motion. It has been moved. I have all the confidence in the world in the Auditor General, based on her comments, that she'll deal with this matter

in a way that I would be satisfied. So, my constituents—I was elected in 2010, and I have worked with my constituents over the last almost four years. They were very clear to me, this winter, on what they felt had changed in terms of winter maintenance. My whole thrust, as articulated in this motion, is dealing with the review of those contracts. Everything the Auditor General has said, I concur with. I see no reason to amend this motion based on what she said here at committee today. My thrust is that if someone wants to amend the motion, fine, but I'm not withdrawing this motion.

The Chair (Mr. Norm Miller): Yes, Mr. Mauro.

Mr. Bill Mauro: Should we at least read what we've brought forward here into the record? I'd like to do that as a first step.

The Chair (Mr. Norm Miller): No, because it's a completely new motion. We have to deal with the motion that's on the table. If you were—

Mr. Bill Mauro: Okay, then I'll just speak to Mr. Clark's comments, if I might.

The Chair (Mr. Norm Miller): Yes, go ahead.

Mr. Bill Mauro: What Mr. Clark has just said is nothing new from the debate that we had since we started around 9 o'clock. We clearly articulated, on this side, the Liberal support for this particular motion, and we've articulated the reasons why. What we're trying to do, and I'm hoping that perhaps the NDP are supportive of what we're trying to put forward, is to articulate in our motion that we brought forward, that apparently we're not allowed to read into the record, where we've started from and where we've gone. How else can we demonstrate if there is no benchmark with which to compare what the status of the present-day contracts already means? It's, in my mind, like saying, "Okay, this is the contract, but we're not sure if it's good enough or bad enough, and it won't speak to the individual conditions of what's occurred this winter in Ontario, in terms of the harshness and the conditions that the contractors have had to deal with."

We can address that point if we will simply provide a benchmark from where we started, when the services were privatized by Conservatives in the late 1990s, to where we are today. I'm willing to do that. We support this. I've articulated how important this is in the northern Ontario context. I've articulated very clearly how I have personally experienced neglect on behalf of contractors, and we've addressed that in a very significant way through the minister with the fines that he's provided and his public acknowledgement that there is more equipment being applied. But I don't understand why we would just take a snapshot of the contract today, because I don't think that provides the public with the information they'd really be interested in knowing. They want to know where we started and where we've come to. I think that's fair. I don't know why we wouldn't provide a scope.

Perhaps, I would say to Mr. Clark—I'm not sure why he would be opposed to what we're trying to do. Maybe it'll show that we've made it worse. Why wouldn't you want to know that? Maybe it'll say that the contracts that are in existence and in place today aren't as good as they

were in 1997 or 1996, or whenever the Conservatives privatized this service. Why wouldn't you want to know that? I want to know, and I don't know.

The auditor spoke to the report that came out in 2004. I asked that question about half an hour ago to try and get a sense of whether there was any information in that report that spoke to that. I don't think we really were able to glean from the answer whether or not, from 1997 to 2004, things had regressed or progressed. It's a very simple request, and we support everything that's trying to be done here. We just want a benchmark so that we can compare. That's all I'm asking for, and I'm not sure why it wouldn't be supported.

I would be interested to hear, perhaps, what Ms. Gélinas and the NDP have to say on this. She hasn't had an opportunity. You've got our motion in front of you, I believe—the new motion, I would hope. I hope that Ms. Gélinas and Mr. Singh have had an opportunity to read what it is that we're trying to do, and I'd be interested in their comments, because obviously we need to vote on the original motion at some point. So, I'm hoping to hear from the NDP on this, to see what they have to say.

The Chair (Mr. Norm Miller): So we're dealing with the original motion. Are there any other further comments on the original motion? The auditor?

Ms. Bonnie Lysyk: I'm sorry; I just wanted to comment that the report that was issued in 2004, just to be more specific to your comment on a response to your answer, did not deal with privatization compared to non-privatization.

The Chair (Mr. Norm Miller): Any other comments? Mr. Klees.

Mr. Frank Klees: Chair, I think there's another aspect to this that we have to keep in mind, and that I would ask the Auditor General to take as part of her investigation here, and that is the issue of the Ministry of Transportation actually enforcing the existing contracts, because we're making an assumption here that contracts or the contracting out has changed from when the original change to contracting out was made.

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I can tell you this, that we have evidence that Carillion—particularly this company—is causing a great deal of concern right across the province, not only on the maintenance side but on the actual road construction side. We have taken to the attention of the minister a number of circumstances where Carillion has refused to pay its subcontractors for work done and signed off by engineers. So I think what's at issue here is the integrity of a company that is contracting with the Ministry of Transportation, and in my opinion, a good part of this issue is, what is the Ministry of Transportation doing to actually enforce, hold Carillion or any other company accountable for the work that they've contracted to do? It's very evident to me that this company—and by the way, I think the Auditor General should check the record of Carillion worldwide. This is a company that has been sued in other jurisdictions for the lack of quality. There are subcontractors who are in legal disputes with this company in other jurisdictions around the world. The

reputation of this company is such that I question why they are even allowed to bid into contracts in the province of Ontario.

So we keep that in mind, and the only thing I would say is that we too want to get to the bottom of it. This is about the kind of service that's being delivered by these companies, and I think that it's not a matter of, is it being contracted out or is it being done in-house; it's a matter of, is the work being done in accordance with the agreement that's in place; and second, if in fact an agreement has been changed or watered down, that there aren't the appropriate accountability measures there, then that's something that has to be addressed as well. That is the responsibility of the Ministry of Transportation, which is contracting with whoever the provider may be.

The Chair (Mr. Norm Miller): Ms. Gélinas.

M^{me} France Gélinas: Well, I find myself in a situation very similar to what Mr. Klees was just talking about. It's DeAngelo Brothers who have the contract for most of Nickel Belt, and I'm getting calls from subcontractors that have not been paid, subcontractors that are now refusing to do work for DeAngelo Brothers, because they have bills back to July 2013 that DeAngelo Brothers hasn't paid and accounted for.

DeAngelo Brothers depends on those subcontractors to maintain their machinery to do some of the extra work, and now they are refusing to do this because they're not getting paid. They're not an international company or anything like this, and I don't want to say that whatever is happening with this international company is happening in Sudbury. It's not. DeAngelo is a local company, but they are also having some financial challenges that I think may be linked to the poor service we're getting.

The Chair (Mr. Norm Miller): Mr. Clark.

Mr. Steve Clark: Just for some clarity, I think I would accept a friendly amendment that this motion would include a review from the time the service was privatized. Would people concur with that?

The Chair (Mr. Norm Miller): Mr. Mauro.

Mr. Bill Mauro: So that is exactly what I was just going to ask. Thank you, Mr. Clark. I was going to ask the Clerk for wording that would have allowed an amendment to the present motion because they won't allow our new motion to be—so I'd be interested in the wording that—

The Chair (Mr. Norm Miller): You can amend the current motion; you just can't move a whole new motion.

Mr. Bill Mauro: Understood, yes. So what is it going to read, then? Is somebody going to draft that and let us know?

The Chair (Mr. Norm Miller): Do we need time for that?

The Clerk of the Committee (Mr. William Short): Maybe a five-minute recess.

Mr. Norm Miller: Okay, we'll have a—

Mr. Jagmeet Singh: Chair, before you do that, a quick question.

The Chair (Mr. Norm Miller): Yes?

Mr. Jagmeet Singh: Would the language of privatization include a comparison of when it was public or, by saying specifically when it became privatized, does that limit it to just the privatization?

The Chair (Mr. Norm Miller): So we'll take a five-minute recess, and the Clerk will work with all three parties to make sure that the wording is agreeable to all three parties.

Mr. Bill Mauro: Perfect. Thank you.

The Chair (Mr. Norm Miller): Okay. Five-minute recess.

The committee recessed from 0955 to 1003.

The Chair (Mr. Norm Miller): Okay, we're back in session and we have, I think, a friendly amendment to the motion. Mr. Clark.

Mr. Steve Clark: Thank you very much, Chair. Here are the friendly amendments—do you want me to read the whole motion or the friendly amendments?

The Clerk of the Committee (Mr. William Short): Just start with the friendly amendments.

Mr. Steve Clark: The friendly amendments in the first line: We would remove the word "contracts" and replace it with the word "program," so the sentence would read: "I move that the Auditor General conduct a review of the winter road maintenance program, negotiated on behalf of the government by the Ministry of Transportation."

The second friendly amendment would be a separate line between the response times and the last sentence, and that sentence would read: "A review of this program from one year before it was privatized."

The Chair (Mr. Norm Miller): Okay.

Mr. Steve Clark: Do you want me to read the whole motion again?

The Chair (Mr. Norm Miller): Please read it—

Mr. Bill Mauro: Just the amendment.

The Clerk of the Committee (Mr. William Short): We've just got to vote on the two amendments first.

The Chair (Mr. Norm Miller): So we'll vote on the amendments then. All in favour? Carried.

Now we'll read the whole motion, as amended, please.

Mr. Steve Clark: My original motion, as amended, is: I move that the Auditor General conduct a review of the winter road maintenance program, negotiated on behalf of the government by the Ministry of Transportation.

This report should include, but not be limited to, a focus on the following issues:

- (1) the number of vehicles;
- (2) circuit times;
- (3) the proper and efficient use of chemical melters and salt on behalf of the contractor;
- (4) hours of operation; and
- (5) response times.

A review of this program from one year before it was privatized.

Finally, this report should be completed and reported to the House no later than the end of the calendar year 2014.

The Chair (Mr. Norm Miller): With no further discussion, we'll vote on the motion, as amended.

M^{me} France G  linas: Just before we vote—

The Chair (Mr. Norm Miller): Yes, Ms. G  linas?

M^{me} France G  linas: I was willing to accommodate the request from the auditor that says “as soon as possible but no later than March 2015.”

The Chair (Mr. Norm Miller): Okay. That would be an amendment to the motion. Did you want to make that amendment?

M^{me} France G  linas: Do I want to make that amendment? Mrs. Auditor, do I want to make that amendment?

Ms. Bonnie Lysyk: You know, I guess if the committee puts this motion forward and we have a problem in meeting this timeline, I'll come before the committee and explain that to you. So we'll try our best, but if there is a problem—you can appreciate a resource constraint—then I'll come before the committee.

May I make just one comment?

The Chair (Mr. Norm Miller): Yes, please.

Ms. Bonnie Lysyk: I think that amendment, with the change, which was a good change—it said to “conduct a review of the winter road maintenance program, negotiated on behalf....” It might be, “... program, considering contracts negotiated on behalf of the government,” because the program is not negotiated. That would be my only comment, and I'm not sure—

Interjection.

Ms. Bonnie Lysyk: Yes. Okay.

The Chair (Mr. Norm Miller): Mr. Clark.

Mr. Steve Clark: Yes, I concur with what the auditor said.

The Chair (Mr. Norm Miller): Okay. We'll need to amend it.

Mr. Steve Clark: So it would change to say, “I move that the Auditor General conduct a review of the winter road maintenance program, considering the contracts”—

The Chair (Mr. Norm Miller): “Considering contracts”—

Mr. Steve Clark: —on behalf of the government.

The Chair (Mr. Norm Miller): Okay, so can we vote on that amendment? All in favour? Agreed.

Okay, so we'll vote on the motion, as amended. Do you want to read the whole thing again, please?

The Clerk of the Committee (Mr. William Short): No, he doesn't need—

The Chair (Mr. Norm Miller): Okay, you don't need to read the whole thing. Can we vote on the motion, as amended? All in favour? Carried.

Very well, we are done with that. I believe we have a notice of motion to be handed around.

Interjection.

The Chair (Mr. Norm Miller): Mrs. Elliott, welcome to the committee. It's the practice of the committee—I know you have a motion that you would like to discuss—that it be distributed to the committee without it being read in or voted on today. But if you want to just briefly

talk about it and hand it around to the committee, that would be great.

Mrs. Christine Elliott: Certainly. Thank you, Chair. I believe it is being distributed now. Basically it is asking for the Auditor General to review the 14 community care access centres and the Ontario Association of Community Care Access Centres. We are asking for a much broader review than reviews previously conducted by the Auditor General's office, covering five main categories.

The first category, and one that has been spoken about already, is the question of executive salaries and the increase in executive salaries by significant amounts, save for one, the Central East CCAC, over the last few years. The average executive salary is now \$234,000, and in some cases CEO salaries have been increased by 50% over the last three years. That's certainly an area that we would ask the Auditor General to consider.

Secondly, we would ask the Auditor General to consider the question of administration costs in CCACs, the percentage of budget allocations that go to administration. The goal is to ensure that as much as possible of the budget goes to front-line care, of course.

The third issue is an apparent conflict of interest which has arisen, wherein the CCACs are mandated to be the ones to provide contracts to health care providers. Yet in some instances, specifically in the area of nursing, CCACs are directly hiring nurses to provide care themselves. This apparent conflict of interest, which we would like to ask the Auditor General to consider, has the effect of both increasing costs to the system because the CCACs are hiring nurses at a higher rate than would be paid by nursing care providers, and it's also causing the nursing and other home care providers to have their volumes decreased and to have their staff raided, and therefore diminishing their capability to carry on business.

The next area of concern is the issue of certain protocols that have been mandated by the CCACs. I would speak specifically, by way of example, of the wound care protocol, which some CCACs have adopted in order to standardize service, I suppose, and to save cost. But it is also having the effect in some cases of compromising patient safety and reducing the ability of clinicians to use their best judgement in dealing with wound care. So there are significant concerns with respect to some of these protocols, both in terms of their actual efficacy and their ability to efficiently use taxpayer dollars.

Finally, we would ask that the Auditor General take a look at the issues involving the unwillingness of many health care providers to speak up about a number of these issues because of their fear that their volumes are going to be cut. There very much seems to be a culture of fear and intimidation with a number of the CCACs, and I believe this is having an impact on service providers' ability to deliver care and for people to receive the best home care possible.

So the parameters are quite wide. We are asking for a much broader review of the CCAC operations than has ever been asked for before.

The Chair (Mr. Norm Miller): Now members have this before them, so they can take it away over the next week, and we'll deal with it at next week's meeting.

Mrs. Christine Elliott: Thank you, Chair.

The Chair (Mr. Norm Miller): Thank you very much. We are now going to go into closed session to continue with our report writing and other matters.

The committee continued in closed session at 1011.

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Also taking part / Autres participants et participantes

Mrs. Christine Elliott (Whitby–Oshawa PC)

Ms. Bonnie Lysyk, Auditor General

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 5 March 2014

Mercredi 5 mars 2014

The committee met at 0903 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Norm Miller): I'd like to call the meeting to order. The first item of business this morning is a motion that I believe will be moved by Ms. Elliott. Go ahead.

Mrs. Christine Elliott: Thank you, Chair. I move that the Auditor General conduct a review of all of the community care access centres in the province of Ontario, including the Ontario Association of Community Care Access Centres. The review should include, but not be limited to, a focus on the following issues:

- (1) A value-for-money audit;
- (2) Compensation of CCAC employees versus the compensation of the community care providers that the CCAC funds;
- (3) Executive compensation practices, including all executives and board members of the CCAC;
- (4) Expenses of all 14 regional CCACs and the Ontario Association of Community Care Access Centres;
- (5) A review of the CCACs' operating costs;
- (6) A review of the existing contracts between CCACs and their community care providers to determine if a conflict of interest exists;
- (7) A review into the long-term financial efficacy of existing protocols for providing care;
- (8) A comparison review into the efficacy and cost effectiveness of home care visits conducted by nurses directly employed by the CCAC and by those conducted by nurses employed by organizations funded by the CCACs.

Finally, this review should be completed and reported to the House no later than the end of the calendar year.

The Chair (Mr. Norm Miller): Very well. Any comments on this?

M^{me} France Gélinas: I will start by saying that I support the spirit of the motion. Before I make my comments, I have a few questions for the auditor.

The first one is that the auditor did a review of home care that was published in its 2011 report. You did a review of placement in long-term care, which was published in your 2012 report. In those two audits you looked at many parts of the working of the CCACs that are targeted by this motion. My first question is, how different is what's in this motion versus what you have already done in 2011 and 2012?

The Chair (Mr. Norm Miller): Auditor?

Ms. Bonnie Lysyk: You're correct. There were two audits that covered aspects of CCACs, the home care services, and then there was a long-term-care home placement process audit. There will be some overlap. There are some items mentioned in both reports that we would review again. There hasn't been a follow-up on these in the last couple of years, so it is possible that we'll follow up on some of the previous recommendations that pertain to this.

Some of the differences would be that during the course of those two audits, we did not look at the compensation aspect.

M^{me} France Gélinas: Yes, I realize that.

Ms. Bonnie Lysyk: Executive compensation—we did not look at that. We did not look specifically at the expenses for the CCACs other than identifying the allocation of those expenses to certain categories. We did not audit the expenses, as well as the operating costs. We were looking more from an operational perspective of how the CCACs and the ministry handled home care services and the long-term.

We did not compare provision of services by CCACs directly themselves to the provision by providers.

There is a lot in here that we did not cover originally in the two audits.

M^{me} France Gélinas: Okay. So then my next question becomes—because we had a similar conversation last week—that it comes no later than the end of the calendar year. My question to you: You have shared with us some constraints you have basically with being able to add anything else to your workload. How does that fit in with your workload?

Ms. Bonnie Lysyk: We have had a discussion of this in the office. We know, because of the extent of the review here, that by the end of the calendar year—although that seems like a lot of time when you're going to the depth that the motion is asking us to do, it takes a long time. So my suggestion for an amendment to this would be to indicate "as soon as is practical."

We would have a team that would be able to start within a couple of months, but our reporting likely would not be until early 2015. That's not to say they won't try, but practically speaking it would be early 2015. The main reason in that is because all of the teams are already on audits, and so we have to make the decision as to whether or not it's worthwhile pulling them off of something

they're already doing or that we've invested three months of time and starting a new audit.

Having said that, the requests from this committee are taken very seriously. Obviously if this motion is passed, we will make all efforts to start this as soon as possible. We will be going through a bit of a hiring process in order to meet the audits that we have on board along with this one, if it's passed.

M^{me} France Gélinas: I'll let my colleagues do comments before I continue.

The Chair (Mr. Norm Miller): And I missed allowing Ms. Elliott to talk about her own motion, so please go ahead.

Mrs. Christine Elliott: Certainly. I did make some comments when I introduced the motion last week, but I think they do bear repeating and indicate the reason why this request was made and why it is very different from the previous audits that have been conducted by the Auditor General.

This one really will focus on the operations of the CCAC in several specific areas. One is the issue, of course, of executive compensation. We've seen a dramatic increase in executive compensation in the last several years, to the point that some salaries have increased by well over 50% in the last three years. The average salary is now \$234,000. At the same time, salaries for front-line workers, personal support workers, haven't really increased beyond about \$20,000, so there's a concern there with appropriate compensation for people who are providing front-line services.

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The next area of concern, of course, is the administration costs of the CCACs, which can be upwards of 40%, depending on whether you include case managers or not in that equation. Many CCACs have indicated that case managers are front-line workers, but what we've heard from many providers is that in many cases they are not providing that front-line service and so should not be counted as part of that care group but, rather, part of administration. We believe that's a significant area of concern that taxpayers would want to know about.

The next issue is whether there is a potential conflict of interest in that the CCACs are the ones that are responsible for providing or awarding contracts for service to front-line service providers at the same time as they are directly employing principally nurses in the area of palliative care and mental health care. We believe that to be a conflict and something that needs to be investigated to see if there is a value, first of all, that's being provided as a result of that. There is some suggestion that the nurses who are being directly employed by the CCACs are receiving far higher rates of pay than those who are working for the contracted service providers, and in some cases, those nurses are being enticed away from the service providers to work directly for the CCACs. So the question is, is there value for taxpayers if it's being contracted directly versus going through those service providers? In some cases, it's putting some of the service providers at risk by losing a lot of their qualified workers.

So there are a number of areas to be examined in that respect.

Then, finally, there are some concerns about some protocols that have been initiated by some of the CCACs, principally around the area of wound care and enterostomal care, that may not be financially effective in the long run. There may be short-term benefits, but long-term benefits aren't significant as a result of complications. There is some suggestion that some patients have been put at risk and have had significant complications by virtue of the fact that nurses have been required to follow protocols rather than using their own best clinical judgment on a case-by-case basis.

So for all of these reasons, I would submit that this is a very different kind of audit that we are requesting, covering a number of areas that have not been specifically zeroed in on by the Auditor General in the past.

The Chair (Mr. Norm Miller): Thank you. Mr. Bisson?

Mr. Gilles Bisson: I just want to say that the member partly answered my questions in regard to what she was driving at with point number 2, which was examining the compensation of CCAC employees compared to the private sector contractors, and somewhat similar as far as question number 8. I guess it's part of the Conservative bent that everything that moves should be privatized. I can understand that that's what you're doing; I disagree.

I think for you to categorize the salaries that are paid to people who work directly for the CCACs versus what we pay contractors as efficiencies—that's not the way I would put it. I'm looking at what's happening on our highways in northern Ontario, where we have privatized the entire system. We pay more money and we get less. So this whole idea that privatization is the only way by which you can efficiently drive services in Ontario to efficiencies is a pretty bogus claim at best. I think all this is just more of an attempt on the part of the Conservatives to try to build a narrative that they need in order to try to convince people that the only way to deliver service is by way of privatization. I just want, for the record, to say: Man, are they wrong, because we've proven on almost every count now where we've privatized it costs us more money and we get less services.

The Chair (Mr. Norm Miller): Mr. Mauro.

Mr. Bill Mauro: Thank you, Mr. Chair.

I'll begin by saying that we are supportive in principle of the motion. It actually was interesting: It sounded like the NDP and the Liberals were in the same meeting this morning, because pretty much everything that Ms. Gélinas said in her opening remarks about the motion are remarks that, from our side, as the Liberal Party, we wanted to get on the record as well.

We are not opposed in principle to the motion, as I said, but we also had a chat this morning about the previous audit reviews that were done, the 2010 and then the 2012 follow-up, so there were two that were done already. I do believe that I heard the auditor say that there was some redundancy contained within the motion as presented.

I want to make the point as well, because it's the auditor herself who, last week—I was pressing on the motion from the Conservatives last week that came before us about a review of the public highway system and the snow-clearing in Ontario. It was my request that the scope of that audit go back to 1997 or so, when the Conservatives privatized the highway snow-clearing system in Ontario. It was at that point that the auditor made the point that there's a limit on the resources that we have and there's only so much that we can do. So I think it's relevant that we hear from you on that point, I think you've spoken to it already, in terms of what you're suggesting in terms of the timeline. You've mentioned the end of the calendar year—I think that's what the motion says. You've suggested that you would prefer to see that amended to "as soon as practical." We were here this morning with an amendment calling for March 2015 to give you a couple more months. I'm not sure where that's going to land, but we can have some more discussion about that as well.

I would be interested, Chair, in hearing—we're fine on the compensation pieces. You want to review that. That's new, but I think we're interested as well in hearing from the auditor in terms of what parts of the motion she sees as redundant relative to what's just been done as recently as 2012. It would perhaps help Mrs. Elliott meet the timeline that she's interested in meeting when it comes to getting this back to committee as soon as possible. So if the auditor could—

The Chair (Mr. Norm Miller): Auditor, if you want to respond, and I think you had some suggestions that might want to get picked up on for the motion as well.

Ms. Bonnie Lysyk: Sure. The motion right now has point number 1, which says, "A value-for-money audit." A suggested change on that would be to put, "I move that the Auditor General conduct an audit." The reason for that is, we would still look at this from a value-for-money perspective, but we would probably bring in some of the components that have been looked at previously and do a follow-up on our previous work.

Is it redundant? We've got a lot of working paper files already on how home care service operates and how the long-term-care-home placement process operates, so we can work with that information and just update our understanding of those two programs. So it's redundant from the sense that it covers similar topics, but it's not redundant from the point of view that it's a different time frame. Based on the follow-up work that was done on these previously, we know there's probably still more work they have to do, even at that point in time. So an update would give you more current information, as a committee, on home care services and long-term-care placement.

Those two aspects, given the scope of the previous two, are what is similarly redundant but, again, we'd update it, so it would be new information for a new time frame.

Mr. Bill Mauro: It seems a bit surprising, perhaps, that you would be supportive, it sounds, of an audit, a

review, on pieces that were just conducted two years ago. I guess my question would be—there were recommendations in the audit?

Ms. Bonnie Lysyk: Right.

Mr. Bill Mauro: So can you tell us or speak to the recommendations that already came forward in terms of what's contained in this motion? As I said, at the end of the day we're probably going to be fine with this. We're just trying to see if there's a way to scope it for your office and not leave anything out that's new, that hasn't been done before. As I said, we support this in principle, and we're happy to see it move forward, but it does seem like there's a body of evidence there already.

Ms. Bonnie Lysyk: Like I said before, I think I listed the ones that are new, that we haven't covered before—

Mr. Bill Mauro: Can you give me those again, the ones that are new?

Ms. Bonnie Lysyk: The ones that are new?

Mr. Bill Mauro: Yes.

Ms. Bonnie Lysyk: Compensation.

Mr. Bill Mauro: Number 2?

Ms. Bonnie Lysyk: Okay, number 2 was not covered before. Number 3 was not covered before. Number 4 was not covered before. Number 5 was not covered before. Number 6, from the perspective of conflict of interest, I guess, was not covered before. Number 7 was not covered before, because we did not specifically look at the two protocols that were identified today. Number 8 was not looked at before.

What was looked at before is number 1 from the perspective of home care and long-term care, so what we would do there—I guess I'm respecting that it's a request of us from the committee. Naturally, because of that, I would say that we would do whatever this committee requests us to do. What I'm suggesting is, because we have two more current files on this subject around the value-for-money aspect, we would take that information and update it to today and present more current information on the status of the recommendations that we made in those two previous reports.

0920

Mr. Bill Mauro: Thank you.

The Chair (Mr. Norm Miller): Christine, did you have a comment?

Mrs. Christine Elliott: Yes, I did. I appreciate Mr. Mauro's comments about the timing of it. Certainly, that's something that we're prepared to be flexible on, depending obviously on the Auditor General and her department's workload. So we obviously have to respect that, and we're willing to take your advice on that.

I would like to just respond to the comments made by Mr. Bisson and say with respect that this isn't about privatization; this is about getting best value for taxpayers—

Mr. Gilles Bisson: No, this is about privatization.

Mrs. Christine Elliott: It certainly is not, and I would point out to you, sir, that, in fact, many of the home care services that are being provided are provided by not-for-profit organizations. They're not all private organizations. So I believe that argument has no merit.

The Chair (Mr. Norm Miller): Okay. France?

M^{me} France Gélinas: I've always been very curious: When we talk about executive compensation, the biggest providers in Ontario are Bayshore and We Care. I know that they make a ton of money. Some of them trade on the stock exchange, and they do business.

We will know what the PSW makes because the unions will give us their contract, and we will see, but those people are supervised by shareholders, owners and all of that. So I guess I'm putting it on record that if we are going to support this, that says to look at compensation of the care providers—let's say it's Bayshore; I don't have anything against Bayshore, but they are an international company that does business. Sure, they pay PSWs. They also pay nurses. They also pay directors. They have regional directors. They have the Canadian director. They have their international branch. I know that taxpayers' money finds its way in all of this. Not only do we give a pittance to our PSWs, but we also pay the shareholders of Bayshore, their Canadian director, their regional directors, their supervisors of care, their nurses and all of this, and then we give a pittance to the PSW.

I want it on record that if we are going to look at executive compensation within our CCAC and home care system, I'm also interested in finding out how much taxpayers' money is being sent through this echelon, for lack of a better word, that is completely opaque because they are a for-profit company. They don't report on the sunshine list. We have no idea. But we know that there is a ton of money there by their behaviour and the way that they fight for contracts. It's because there's money to be made. Otherwise they wouldn't behave in the way they do.

Do I need to amend the motion, or is my little rant this morning enough to give you guidance as to, when you look at executive compensation, not only do you look at CCACs but you look at the care providers that they contract with?

The Chair (Mr. Norm Miller): Auditor?

Ms. Bonnie Lysyk: I think, based on the way this was put forward, we thought that would be an aspect of it. What we would do here is try to determine what information the ministry receives, the LHIN receives and the CCACs receive that gives more information on how those entities operate. So we did appreciate that that is an aspect of this.

Until we actually start the work on this, it's not quite clear yet, I guess, what information we would be able to receive and what we wouldn't be able to receive.

M^{me} France Gélinas: Okay. So my question then becomes: Do I need to amend the motion to make it clear that I want to see—I've spent a ton of time trying to find this out, so I'll be honest and put it on the record. I can see the money that leaves CCACs and that goes to Bayshore. I can see the pittance that the PSW gets, and there's always a big gap there. Between the money that went to the PSW and the money that left CCACs, there are millions of dollars, and I have no idea where it goes.

My little brain tells me that they go to profit, but we don't know; it goes into a black hole. It leaves CCACs, so I know that there is taxpayers' money that goes there. I can figure out through the union contracts how much money goes to the PSW, but the rest of it is unaccounted for.

You're very good at accounting, so I'm hopeful that you could help me figure out where this money goes. Is this included in what we have there, or do I need to amend?

Ms. Bonnie Lysyk: In my view, because it says "conduct an audit of the CCACs," I believe it's covered in here. I think this gives us the ability to go to that depth.

Having said that, one aspect of this is that, in the recommendations that were made previously—and I believe it was the home care report—we spoke to the fact that the funding to the entities that contract with the CCACs has been pretty much flatlined in the sense that it isn't based on the number of people they're serving. There wasn't a lot of data to support the exact amount of funding, so what we would look to see is whether or not there have been changes to any of those agreements and what information is being received from those entities to determine whether or not the services are being provided with value for money in mind by the providers.

M^{me} France Gélinas: Okay, but does that mean that I will find the salary of the CEOs of those entities?

Ms. Bonnie Lysyk: I can't answer that, France, right now.

M^{me} France Gélinas: But you will look?

Ms. Bonnie Lysyk: I think part of this is that we would look, yes.

M^{me} France Gélinas: Okay.

The Chair (Mr. Norm Miller): Mr. Colle?

Mr. Mike Colle: I haven't had time to discuss it with my colleagues, but it seems—I don't think my colleague MPP Elliott has a problem if we get this perspective. I would put it on the record; I would move a motion, because it's going to be difficult to get some private sector information. But I think that it's important background that we need, a perspective, because it's such a complex area of layers of who's delivering this service and who the PSW is really working for.

I know that we had the same trouble with the physiotherapy workers. We had those four companies that had a monopoly. They were listed on the New York Stock Exchange and the Toronto Stock Exchange, making hundreds of millions of dollars, and people were saying, "I thought the government was providing it." Well, actually, the government is providing it, but through this company that was doing quite well with government contracts. So let's work out a motion to ensure that this is looked at in a very specific way to give us the background, because it is very complex.

The Chair (Mr. Norm Miller): Mr. Bisson?

Mr. Gilles Bisson: I'm going to propose an amendment to 3, and we may have to amend a little bit further, but I just want to go back to the point that I started with originally. I'm not surprised, under number 2, that you

will find that the worker who was contracted with CUPE will make more money than a worker who has no union. I don't need a study to tell me that. That's the reason people sign collective agreements. I guess for the Tories, that's really what bugs them: the idea that there's a unionized worker who is actually getting a little bit more salary than a company would be able to put in their pockets as profit. They'd rather that workers work for less so that they can give more to their friends in the private sector. But I understand that's where the Conservatives come from.

Just further to the point where she says it's not true that privatization doesn't work: I'd just remind people what happened in our electricity system. We're paying a hell of a lot more now that we privatized it than we used to when it used to be a public entity. So privatization has been proven, on almost all accounts, not to save money and to give us worse services. But that's for another day.

What I'm going to suggest, by way of an amendment, is something on number 3 that would say something akin to—and I may need the Clerk and the auditor to help a bit here—“executive compensation practices and their expenses”—I mean the expense claims—“including all executive board members of the CCAC and those private sector entities contracted to the CCACs.”

The reason I think it has to be in a motion: The auditor has certain powers, but this committee has powers that supersede the powers of the auditor. In other words, we can request this type of information as a motion from the committee, and they can't say no. The auditor has limited ability to delve into what's going on in those contracts once they get into the private sector, where this committee is able to do that. I'm suggesting “executive compensation practices and expenses, including all executive board members of the CCACs, and those private sector entities contracted to the CCACs.” That way, we can really compare private sector versus public sector and what's more efficient when it comes to making profit, versus putting money directly into front-line services.

0930

The Chair (Mr. Norm Miller): Ms. Elliott?

Mrs. Christine Elliott: Well, Mr. Chair, I'm hearing a lot of rhetoric here. I think it's beside the point of this conversation. The point of this conversation is the conflict of interest that exists between the—

Mr. Gilles Bisson: Collective agreement.

Mrs. Christine Elliott: Not at all. What is—

Interjection.

The Chair (Mr. Norm Miller): Mr. Bisson, please let her speak.

Mrs. Christine Elliott: The point here is the fact that the CCACs were specifically set up to be the ones that grant the contracts to nursing care providers. Public, private, not-for-profit—it doesn't matter who they are. But that's what their responsibility is. Yet they are taking it upon themselves now to hire nurses directly. That is in conflict with what their stated mission is, and that's what I'm asking to have examined. It's not a question about private or public. It's a question asking if they are doing

what they're supposed to be doing and if a conflict of interest exists. If a conflict of interest does exist, is that causing harm to the taxpayer? That's the point of this discussion; not public, private and who gets paid what in a union. That is irrelevant to this discussion.

The Chair (Mr. Norm Miller): Ms. Wong?

Ms. Soo Wong: I too want to echo my colleague Mr. Mauro about the timeline on this audit, because I think it's really limiting.

I just want some clarification from Mrs. Elliott in terms of number 8 of your motion. We know CCAC nurses are not just visiting homes. They're in our schools. They are in various facilities. So through you, Mr. Chair, I want to get some clarification. In this audit, are we exclusively looking at nurses visiting only home-type settings, whether it is in retirement home residences? The CCAC does all kinds of care out in the community, so are we exclusively looking only at those in so-called residential types of setting?

Mrs. Christine Elliott: No, it would be more broadly defined. I only meant home care versus institutional care.

Ms. Soo Wong: Okay, so anything out in the community where the CCACs hire these nurses to provide care, regardless what type of setting we're talking about.

Mrs. Christine Elliott: Yes.

Ms. Soo Wong: I just wanted to make sure that's clear for this type of motion. Okay.

The Chair (Mr. Norm Miller): Mrs. Gélinas.

M^{me} France Gélinas: I have comments I was going to go through, but I'll jump to 8 directly. The Ministry of Health just funded CCACs to hire mental health nurses to go into our schools. CCACs had no choice but to hire those nurses for mental health services into our schools. I disagree with that decision completely. Some of the CCACs knew that they were not the best mental health providers. There are people who know mental health in and out, but the government funded them. Those nurses are employed by CCACs not by choice but by ministry design.

I know from the past that the auditor has never given advice as to government policy, and I am assuming you will do the same as your predecessor. If this is a government policy, then it is a policy, and you get value for money, and you don't usually get involved as to whether that was a good policy or not. So 8 could be a bit problematic.

But 7 is also a bit problematic: the review of the long-term financial efficacy of the two protocols for providing care. Here again, those are direct policies from the government that mandate CCACs to do what are called pathways, and they're basically standard care plans. So if you just had a stoma done, we expect those outcomes, and you're paid for the outcomes. I'm making those points because you will be faced with a government policy, which usually the auditor stays clear of.

Although I don't disagree with what Mrs. Elliott is trying to achieve, I'm putting it on the record now, to get your guidance as to how you will be handling this. I can speak for the north, where the North East CCAC has

decided to retain way more services than any other CCAC just because of recruitment and retention difficulties. In the north east, the therapist and the physio-therapist etc. are not contracted out; they are employees of the CCAC because it is so difficult to recruit for the different providers that it never worked.

I'm telling you this great big story to get your feedback as to what happens when a committee like us asks you to do something that looks at a government policy where the CCAC had no choice.

The Chair (Mr. Norm Miller): Auditor?

Ms. Bonnie Lysyk: In terms of what we would lay out in the report at the end of the day, on this one we would lay out what the situation is. We wouldn't comment on the previous decision. Similar to a lot of audits that have been done by the office where we use specialists, we may comment, "This is talking about protocol." We may comment on whether the protocol itself is current, in accordance with best research. We would basically lay out the facts, and the readers would ascertain whether they thought those facts warranted any kind of change or whether the situation as is was best practice under protocol.

M^{me} France G  linas: Okay. So her question in 6, whether a conflict of interest exists: If it's ministry-mandated that they hire that staff, whether there's a conflict of interest or not, you wouldn't comment.

Ms. Bonnie Lysyk: I can only see that what we would do here is that we would lay out the facts. The term "conflict of interest," I guess is what your perspective is on the situation. We wouldn't comment on whether what we see there is a conflict of interest. A conflict of interest, to me, is something that, if there is a policy out there that says, "This constitutes a conflict of interest," we would comment on whether that policy has been adhered to. In this case, we would lay out the facts and let the reader determine if they viewed this as a conflict of interest or not.

The Chair (Mr. Norm Miller): Very well.

The auditor does have some suggestions for cleaning up the—making her job a little bit easier. Does the committee wish to hear those minor corrections—not corrections; improvements—that she is suggesting? Yes.

Go ahead.

Ms. Bonnie Lysyk: We would suggest crossing out item number 1, where it says "A value-for-money audit," and just at the beginning of the motion go, "I move that the Auditor General conduct an audit of," and we would cross out "all of." "All of" encompasses 14 of these centres, which is huge for us in terms of time, so we would make some judgment calls, like we do on all audits, in terms of the scope. So it would be "an audit of the," and it would go "community care access centres." The next sentence says "This review"; we would put "this audit."

After number 1, they would all be renumbered 1 to 6. On the next one, which was formerly number 2, we would say, "Compensation of comparable employee positions in CCACs," because we would just lay out the

facts of that, versus "the compensation of the community care providers that the CCAC funds." Instead of "funds," it would be "contract with on a fee-for-service basis," versus funding. So at the end, instead of "funds," it would be "contract with on a fee-for-service basis."

The former number 4: We would go, "Expenses of the regional CCACs," instead of "all 14."

The very last one, the former number 8: Where it says "funded," we would say "contracted with by the CCACs."

Then, at the last sentence, "Finally, this" audit: We would prefer if it could say "should be complete and reported to the House as soon as is practical." We would do that as soon as we are able.

The Chair (Mr. Norm Miller): Mr. Bisson.

Mr. Gilles Bisson: I go back to the original point on 3: Are you suggesting that you have what you need in that newly worded language to not only look at the executive compensation of a CCAC that you would choose, but you would also choose somebody contracted with in order to take a look at what's happening, at least in a snapshot, of some of them?

Ms. Bonnie Lysyk: On that one, we would try, yes.

Mr. Gilles Bisson: No—you would try, or you would be able to?

Ms. Bonnie Lysyk: I like the suggestion that you made in terms of the revised wording and the committee having power that extends beyond the act to provide us access. I think that would facilitate it. We can follow the dollar. The difficulty becomes in the definition of how far you take that dollar. Right? But I think your suggested amendment would make it easier for us.

Mr. Gilles Bisson: Okay. I had a motion; it was worded—I'm going to get to that. So I was saying, "Executive compensation practices, including expenses of executives and board members of the CCAC and those"—and I guess you have to make it singular somehow, or that it not encompass every contractor in Ontario; right?—"private sector entities contracted to the CCAC." It seems to me, that allows you to get at what you can't get under the auditor's act.

Ms. Bonnie Lysyk: It would make it simpler. I think one could argue that you follow the dollar right to the point of—

Mr. Gilles Bisson: Yes, and then you have the authority of the committee to say, "I have the right to do this."

Ms. Bonnie Lysyk: Yes.

Mr. Gilles Bisson: Okay. So if the Clerk could maybe word it out.

I want to get back to the point that Madame Elliott raises, which is that there's a conflict of interest somehow because a nurse happens to be working for a CCAC—I remind people, it was the Conservatives who started the privatization of all services that were with CCACs, because originally CCACs delivered much in the way of work themselves, directly—everything from nursing care to you name it as far as personal support etc. It was the Conservatives who started the privatization.

To say it's a conflict of interest for the CCAC to deliver those services flies in the face of reality, and I think Madame Gélinas raises a point that is very important. In those areas where you have large geographic areas to cover with the CCACs, such as northeastern, northwestern Ontario, and you don't have—some contractors are not so much, how would you say, enticed to bid on them, because it's a more difficult thing to be able to do services. CCACs need to retain the ability to be able to do some of that work themselves. Otherwise, in some communities, the work is not going to be done. Again, this whole idea of the Tories' "privatization is better" is just a way of driving down the wages for workers so they're not unionized. That's what it's all about. So you can transfer the dollars from the pockets of the workers and put them in the pockets of those who run those companies. I know that's exciting for Conservatives, we understand that, but we as New Democrats don't like that.

The Chair (Mr. Norm Miller): Okay, so in the interests of hopefully getting this done in the time we have allotted before the police commissioner comes this afternoon, we have suggestions for an amendment from the auditor and, I believe, a suggestion—

M^{me} France Gélinas: We have an amendment to the motion.

The Chair (Mr. Norm Miller): —for an amendment from the NDP.

Mr. Bill Mauro: My suggestion, Chair, was going to be, if we could just recess for five or 10 minutes and get us a copy of what the NDP amendment is suggesting and what the auditor's recommendations are, then we can maybe come back and look at what's on paper—

The Chair (Mr. Norm Miller): Sure. We'll put it into one amendment. Is that fine with the committee?

Interjection: Sure.

The Chair (Mr. Norm Miller): Okay. We'll recess for five minutes and get that done.

The committee recessed from 0943 to 1000.

The Chair (Mr. Norm Miller): We'll go back into session, then. We have a motion that has been drafted up here—an amendment to the motion. France—

Interjection.

The Chair (Mr. Norm Miller): It's a full new motion.

M^{me} France Gélinas: I'll talk to the new motion. I would—

Interjection.

The Chair (Mr. Norm Miller): Hang on a sec. Sorry.

M^{me} France Gélinas: I cannot talk to the new motion?

The Clerk of the Committee (Mr. William Short): No. The new motion doesn't exist yet. We need to either withdraw the original at the agreement of the committee or just keep talking about the original motion.

Mr. Gilles Bisson: Just hang on one second. What we were trying to—Chair, am I recognized?

The Chair (Mr. Norm Miller): Ms. Gélinas had the floor.

M^{me} France Gélinas: Okay. So now I have to talk to the original motion?

Mr. Gilles Bisson: Point of order. Then I'll make a point of order.

The Chair (Mr. Norm Miller): Okay. Go ahead, Mr. Bisson.

Mr. Gilles Bisson: What we were doing is that, both by way of suggestions of various members of the committee and with the auditor and myself, we made some amendments to the original motion. There still needs to be some changes, and that's what we're speaking to, so that we can come to a final draft of what the amendment will look like. It's not speaking to the amendments; it's speaking to changes that still need to be made, just to be clear.

The Clerk of the Committee (Mr. William Short): Yes, that's fine.

Mr. Gilles Bisson: Okay. Good.

M^{me} France Gélinas: My question is to the auditor again. When I read number one, "Compensation of comparable employee positions in CCACs versus the compensation of the community care providers that the CCACs contract with on a fee-for-service basis," I want to make sure, and I'm not sure this captures it—let's say a nurse gets \$50 an hour plus 20% of benefits and that's what she gets. When we have a nurse through the contract on a fee-for-service, \$150 will leave the CCAC to go to the for-profit contractor, who will give the nurse \$30 and 10% of benefits. I want to make sure that it connects how much money leaves CCACs for that service versus what the nurse is being paid, because there's a huge difference between the two.

I find that the way it is worded now, you could say, "Well, here's the collective agreement of the nurse at the CCAC; here's the collective agreement of the nurse at Bayshore. The nurse at Bayshore makes \$32 an hour"—I can tell you—"and the nurse at the CCAC makes \$50 an hour. The nurse at the CCAC has close to 26% of benefits; the nurse at Bayshore has about 10% to 12% of benefits." So if we look at those, we say, "Hey, Bayshore is a"—I shouldn't pick on Bayshore—"Hey, this contract is a very good deal." But what really happens is that \$150 has left the CCAC to go to the for-profit providers, and then you get the final pay. I want the total amount of money to be captured, and I don't think that number 1 does that.

The Chair (Mr. Norm Miller): Auditor.

Ms. Bonnie Lysyk: So let me understand: You want to know what the breakdown is of the use of the money that the CCAC flows to the providers or to the contracted organizations.

Mr. Gilles Bisson: And to that point—

M^{me} France Gélinas: Yes, and I don't mind looking at the salaries of the two—you can say that the nurse make \$50 there; she makes \$32 there. But in order to pay her \$32, we had had to send \$155 to the for-profit and she gets her \$32.

Ms. Bonnie Lysyk: Okay. In number 3, we talk to the "expenses of the CCACs and the Ontario Association of

Community Care Access Centres.” If you wanted to understand what the breakdown of the expenses were in the entities that are providing services on a fee-for-service basis, I would suggest that that’s probably where it would be added, if that’s the intent. Right? So we’d look at the expenses of the—get an understanding of the breakdown of the expenses of the fee-for-service providers.

Mr. Gilles Bisson: And to that point, if I can be helpful.

The Chair (Mr. Norm Miller): Are you done, Ms. Gélinas?

Mr. Gilles Bisson: It was just on the same point. I don’t know how far she wants to go.

M^{me} France Gélinas: So what the auditor is telling me is that there still needs to be clarity to make sure that we capture what I want to be captured.

Ms. Bonnie Lysyk: Yes.

M^{me} France Gélinas: I already know the collective agreements at the CCACs. I already know the collective agreements if they’re unionized. I already know that one makes 50 bucks and the other one makes \$32. I don’t need you to tell me that. What I need you to tell me is how much the taxpayer has to pay to get her those \$32.

Ms. Bonnie Lysyk: Right. So we know that overall, we can look at the expenses of the CCACs and how much they give out. If you want any analysis of what that money is used for, then I guess I would suggest that we’d need something in here to enable us to go to that depth. So that would be to look at the expenses in the fee-for-service providers’ operations, likely from their financial statements, to indicate what they’ve spent in providing services more specifically, and what they have for overhead and executive compensation and whatnot.

The Chair (Mr. Norm Miller): Mr. Bisson.

Mr. Gilles Bisson: It seems to me that points 1 and 3 can be sort of pulled together, because what point 2 does, it talks about executive compensation of the boards and the managers, both within the CCACs and with the private contractors. I think what points 1 and 3 are trying to get at is comparing apples to apples: What does the nurse for the private contractor get in comparison to what the nurse for the CCAC gets? Those two things are sort of lumped together. You can move the expenses as part of that as well, if you wanted to. I know there are issues where some employees have come to me and said that they’re not properly compensated for expenses when they travel from point A to point B to take care of a patient, but that’s a different issue.

My point is, if we can put 1 and 3 together—and I’ll try to draft something—and it gets at the point that Madame Gélinas is, which is that once we look at the expenses of the CCAC when it comes to delivery of service, if they’re paying a nurse to do it within the CCAC versus a private contractor who gets paid—I would imagine the unionized person gets more than a non-union, but I know that bugs my Conservative friends, so I won’t bother them about that. But we need to look at what the contractor is getting, because that’s really where the money is going. The difference is in the pocket of the

contractor. So I need to work out some amendment to that point.

The Chair (Mr. Norm Miller): So Ms. Elliot—and for clarity, I think the committee would need to agree to withdraw the original motion and agree that we’re working on this motion that’s before us all. Do we have agreement of the committee? Agreed. Okay, so we’re—

Mrs. Christine Elliott: Yes, I’m certainly prepared to withdraw the previous motion. Shall I read the new motion into the record?

The Chair (Mr. Norm Miller): That is correct. If you can read the new motion into the record, please.

Mrs. Christine Elliott: I move that the Auditor General conduct an audit of the community care access centres in the province of Ontario, including the Ontario Association of Community Care Access Centres. This audit should include, but not be limited to, a focus on the following issues:

(1) Compensation of comparable employee positions in CCACs versus the compensation of the community care providers that the CCACs contract with on a fee-for-service basis;

(2) Executive compensation practices, including the expenses of executives and board members of the CCACs and those private sector entities contracted to the CCAC;

(3) Expenses of the regional CCACs and the Ontario Association of Community Care Access Centres;

(4) A review of the CCACs’ operating costs;

(5) A review of the existing contracts between CCACs and their community care providers;

(6) A review into the long-term financial efficacy of existing protocols for providing care;

(7) A comparison review into the efficacy and cost effectiveness of home care visits conducted by nurses directly employed by the CCAC, and those conducted by nurses employed by organizations contracted by the CCACs.

Finally, this audit should be completed and reported to the House as soon as is practical.

Chair, if I may just make a brief comment?

The Chair (Mr. Norm Miller): Yes, please.

Mrs. Christine Elliott: I would really prefer to see 1 and 3 remain as separate sections. However, I do understand what Mr. Bisson is saying. My only concern is the extent to which the Auditor General has the ability to review that. And, from what she has indicated, she may be able to take a look at their publicly posted financials to try and glean that information. I don’t have any objection to it, generally, but I would like to keep 1 and 3 separate. I think they are looking at two different things.

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The Chair (Mr. Norm Miller): Okay. Mr. Fraser?

Mr. John Fraser: I’d like clarification on number 2 and the second part from the Auditor General.

I know you have spoken to this earlier in terms of your looking into those entities that are contracted to the CCAC and their salary structures. Is this beyond your scope in the way that this is worded in the motion? I’ll

tell you why I'm saying this. My concern is that it is, and that perhaps the best way forward for the committee is to say, "We'll let you do your work, and if you come back to us and you have a challenge, then we can take it from there." That's my question to you.

The Chair (Mr. Norm Miller): Auditor.

Ms. Bonnie Lysyk: Again, the scope is, I think, what's being discussed here, so it's really for you to determine what the intent is of this for us to do for you. I'm only pointing out that on number 1, that deals with compensation. Number 2, which you mentioned, does provide us the opportunity, if this is the intent, to see what the private sector entities are paying in terms of their board compensation and their executive salaries. If you wanted a fuller look at those entities that contract with the CCACs, then I think we would need something in here to indicate that we're reviewing the expenses of the private sector entities. Perhaps it's number 3 or number 4—a review of the private sector entities' and CCACs' operating costs. But, to me, you're determining the scope here as you discuss this, not me.

Mr. John Fraser: So I guess the question is, have you ever done that before?

Ms. Bonnie Lysyk: I have done similar work in other jurisdictions. I've been in Ontario since September, so I can't say I've done it here.

Mr. John Fraser: So just in terms of your moving forward with doing this audit in a fashion that's timely and, as you described, as soon as possible, to paraphrase, can you speak to your experience in other jurisdictions in regard to the effectiveness of that in terms of your team's time and your team's effort and the value?

Ms. Bonnie Lysyk: I can give you a life example. In Manitoba—and it's public record—we did an audit of the Lions Housing Centres of Manitoba. In order to do that audit, we had to determine what money was transferred from the province into Lions Housing Centres. Once we were in Lions Housing Centres, we had to determine how they used that money for board compensation, for—in that situation, they set up a for-profit entity that pulled money out from the government funding. So we spent a lot of time doing that work.

I've looked at private sector housing organizations in Manitoba and how they use the government's money in terms of board compensation, expenses, overhead. We found they were using—there were TVs being purchased. I'm talking some bad situations here. So I'm not saying this is a bad situation, but I have, from an audit perspective, looked at entities that were funded by the government and how they've used the money.

How you want to scope this for us—whatever motion you pass here, we will do our best to accomplish what the understanding of this committee is for your motion. But it is up to this committee to determine what you want us to do.

Mr. John Fraser: The entities you're talking about are generally public sector entities that have devolved themselves, just in those two descriptions. You gave one of the Lions Housing, where they set up a for-profit—

Ms. Bonnie Lysyk: They were organizations that were contracted with the government to provide services, so they were similar.

Mr. John Fraser: They were similar in the sense that—okay. I'm trying to determine, because we have seen circumstances where you have public sector organizations, and I think we saw that in the diluted chemo, where all of a sudden you've got a corporation that's set up that's arm's length from government or that becomes a private entity.

Ms. Bonnie Lysyk: These were entities that were contracted on a fee-for-service basis with the province.

Mr. John Fraser: Okay. Thank you.

The Chair (Mr. Norm Miller): We are running out of time fairly quickly. I point that out to the committee. We do have the OPP commissioner here this afternoon, so I would suggest we would try to move a little forward in this.

Mr. Bisson?

Mr. Gilles Bisson: Well, I think we need to make sure we get it right, as well.

The Chair (Mr. Norm Miller): I would agree.

Mr. Gilles Bisson: I just want to be clear on number 3. To the mover of the motion, when you're saying "expenses," you're not meaning travelling expenses. You mean total cost.

Mrs. Christine Elliott: Total expenses, yes.

Mr. Gilles Bisson: Okay, that's where I—3 and 1 didn't work, but 4 and 1 and a merger of those two in some way, I think, would do what it is that we want.

Madame Gélinas was working on some language that kind of makes sense, which is something that would say: "A review of the CCACs' and the contracted entities' operating costs"—that would be number 4, right? I don't like number 1, but that's a whole other issue.

M^{me} France Gélinas: But I think—if I'm allowed, Mr. Speaker—if 4 becomes, "A review of the CCACs' and contracted entities' operating costs," and then including comparing compensation of comparable employee positions within the two, then I think we're catching what I'm trying to get at. Sure, one is \$50 and the other one is \$32, but to pay that \$32, the taxpayer spends an awful lot of money to get her that 32 bucks.

Is using the term "operating cost"—I'm guessing that's getting at what I'm trying to do, but I'm not sure.

The Chair (Mr. Norm Miller): Yes, Auditor, is that terminology fine?

Ms. Bonnie Lysyk: "Operating costs" would be fine.

Mr. Gilles Bisson: That would include employees and whatever other costs.

Ms. Bonnie Lysyk: I guess it would be—I'm going to give an accountant answer: It depends. A review of the private sector entities—I think "expenses" would have a broader basis than "operating costs." You could say "operating costs and expenses" just to ensure that it's broad enough.

Mr. Gilles Bisson: Okay. All right. So if we did something like, "A review of the CCACs' and the contracted entities' operating costs and expenses"—

Ms. Bonnie Lysyk: Other expenses, yes.

Mr. Gilles Bisson: —“and other expenses, including wages”—something like that; I don’t know. I don’t even know if you need to put it there, because “other expenses” would cover it, right?

Ms. Bonnie Lysyk: Yes.

Mr. Gilles Bisson: And that would allow us to collapse 1 and 4 into one point? We can live with that. That make sense. It allows you to get at what you want.

The Chair (Mr. Norm Miller): Okay. Ms. Wong.

Ms. Soo Wong: Mr. Chair, earlier I made my concerns about the lack of timelines in terms of reporting, because I know there’s lots of concern out there. I know Ms. Elliott raised this concern to us before. So in terms of the final statement here, Mr. Chair, through you to the auditor, what does it mean “as soon as practical”? Because Joe Public does not know what “as soon as practical” is. What are we looking at: five months, 10 months, 12 months? How do we look at that time frame?

The Chair (Mr. Norm Miller): Auditor?

Ms. Bonnie Lysyk: Okay. I think when we discussed this in the office, we were thinking spring—

Ms. Soo Wong: Spring of—

Ms. Bonnie Lysyk: Of 2015.

Ms. Soo Wong: Okay. Because I don’t know—unless we put a very specific timeline, the general public will be confused. “As soon as possible” could be next month. To be realistic, and because this is a public committee, it would be much better to have a very specific timeline that would not box yourself in, but also, it would be specifically March 2015. That way, it’s open, and that will allow your staff due diligence to do this report for the committee.

The Chair (Mr. Norm Miller): Okay. Mr. Mauro.

Mr. Bill Mauro: Thank you, Mr. Chair. I thought Mr. Fraser was trying to drill down to something, but I’m not sure that we got an answer from the auditor. I think she did, but I’m not sure it was maybe what he was trying to drill down to.

On the contracted piece with the CCAC, in terms of your capacity, your ability under the legislation to extract information from contracted companies, I’m just trying to understand that. Rolling around in the back of my head somewhere is that, years ago, when I was on public accounts and then came back on public accounts, on issues related to Ornge and the work that was ongoing there, it seems to me there were some pretty significant and serious concerns expressed about some of the work that the committee was asking the auditor’s office to conduct when it came to those entities. I’m just trying to get a sense of that concern. I don’t remember it well. As I said, it was a couple of years ago, and I thought I remembered the auditor expressing some concerns about what he, at the time, was being asked to do, and did it go beyond the scope.

1020

Ms. Bonnie Lysyk: Not having been here in those discussions, I can’t comment on that.

Mr. Bill Mauro: I’m not asking you to comment on that. I’m asking if the way this is worded or structured here today is sort of giving the committee authority or powers that go beyond what you’re allowed to do, I suppose is the question. That’s what I think Mr. Fraser was trying to ask, and I’m not sure that we got an answer. Are we going beyond the scope when it comes to the contracted companies, I mean. I don’t think anybody has a huge problem with it; I’m just trying to understand it.

Ms. Bonnie Lysyk: Under the act, the act for this office has a follow-the-dollar clause, where we can follow the use of public monies into entities that receive those monies, that are recipients of public funds. We also have subpoena power under the act that allows us to subpoena people if they’re not providing that information. I think my understanding of what was suggested as an amendment to the motion is to deal with the potential that there could be an interpretation around our act’s provisions that would take us maybe into longer discussions with the private operators, and that the amendment to the act would just ensure that if this is what the committee’s wish is, we’re able to do it.

Again, I go back: If this is important to you as a committee and you want us to do it, I believe the intent of the suggested change to the wording was to ensure that we have access and it’s very clear to those fee-for-service providers that we have the support of the committee to get access. With respect to the act, we have “follow the dollar,” but again, this probably provides more clarity.

Mr. Bill Mauro: Currently, the contracts that exist—I mean, that’s all going to be public, right? So a contract between the CCAC—the auditor will be able to get a contract between the CCAC and who they’ve contracted with. That’s available to us already. That quantum, that total for company A, is going to be something that’s easily available and readily available to us. We’re going beyond that, though, trying to find out what that quantum is used for and how it’s disbursed, I think is the point that Ms. Gélinas is trying to get to. I think that’s my question. Is that a level of detail that you’re able to, with your scope of authority, get back for us, or are we asking you to do something that you can’t do or that you don’t have access to?

Ms. Bonnie Lysyk: It’s not a simple answer that I can give you because I would have to look at the agreements and how the agreements are structured. I would have to understand what proportion of funds flows into these entities—and I don’t have that—and whether or not, I guess, these entities will feel that their information is being challenged. What that does is that then you have to, as the audit office, present your case to them as to why you think you have access to that. So there is a time commitment there.

I can’t give you a direct answer until I have some information more specific to some of the agreements. I can say that if this is what you want us to do and you want to ensure that we’re able to do this, then the suggestion of providing us with more strength behind our act to do this

is probably appreciated because we wouldn't have to go through hoops to try and get access if it was difficult.

Mr. Bill Mauro: I appreciate where Ms. Gélinas is trying to go with this. I have no problem with it. I'm just wondering, without you having to do what you've just described and wondering if there's challenges associated with it, if there's a way to get that information without you having to try and do that. For example, if we're comparing contracts and you're able to extrapolate some commonalities between a contract between the CCAC and a private contractor and the CCAC and a non-profit or public sector contractor, and you're able to do some apples-to-apples comparisons without having to go down and go beyond—

The Chair (Mr. Norm Miller): I'm afraid I'm going to have to interject now because we're running out of time. That clock is actually a little slow up on the wall there. What I'm going to ask is that the committee defer this until our next meeting, which would be—what's the date?

The Clerk of the Committee (Mr. William Short): Wednesday, March 19.

The Chair (Mr. Norm Miller): Wednesday, March 19, in the morning, as we have a full agenda this afternoon with the OPP commissioner coming in. Is that fine with the committee?

M^{me} France Gélinas: Far away from me to argue with the Chair, but after the commissioner this afternoon, don't we have—

The Chair (Mr. Norm Miller): The mover of the motion is not subbed in this afternoon.

M^{me} France Gélinas: Oh.

The Chair (Mr. Norm Miller): And that can't be changed at this point.

M^{me} France Gélinas: Okay. Sorry.

The Chair (Mr. Norm Miller): So I have the agreement of the committee on that? Agreed. We're deferred till the 19th.

The committee recessed from 1025 to 1235.

SPECIAL REPORT, AUDITOR GENERAL:
ORNGE AIR AMBULANCE
AND RELATED SERVICES
ONTARIO PROVINCIAL POLICE

The Chair (Mr. Norm Miller): I'd like to call the committee to order and welcome Ontario Provincial Police Commissioner Chris Lewis back to the committee.

Mr. Chris Lewis: Good afternoon.

The Chair (Mr. Norm Miller): Good afternoon. You swore an oath last time you were here, so that stays in place for today—no need to swear another one. Welcome, and you have 10 minutes to make an opening statement—up to 10 minutes—and then we'll go to questioning from the caucuses.

Mr. Chris Lewis: Great. Thank you. I was a little worried, when no one was showing up, that you and I could just sit and talk over a coffee. But it's a pleasure to

be here and my pleasure to update you, Mr. Chairperson and committee members, on the progress of the OPP's ongoing criminal investigation into the Ornge air ambulance service.

As you may have heard since last time I was here, I have since made the decision to retire from the OPP after almost 36 years of service, effective March 28, and my successor has been named. The commissioner-designate is OPP Deputy Commissioner Vince Hawkes, currently provincial commander of field operations, which is my previous position. That said, my pending retirement and Vince's appointment will in no way affect the ongoing investigation that we're here to discuss today.

OPP investigators assigned to the Ornge investigation use and practise the major case management protocols and make decisions based on evidence that is lawfully collected and that can be used for the purpose of prosecution. A change in the senior leadership of the OPP does not affect our policy or our practice and procedures for investigations. Those skills are based on years of experience and knowledge gained through educational opportunities, training and court decisions.

I know, however, that you will appreciate that questions on the specifics of any evidence collected to date, if I answer them, would potentially prejudice the prosecution of any offences that may result from this investigation. I should also point out that, as commissioner, I know in broad terms about the progress of the investigation, but I am not updated on the details or the findings. That detailed information will rightly rest with the investigators until due process has run its proper course.

There is a significant public interest in preserving the integrity of a criminal investigation and ensuring that any persons who have committed offences are ultimately held accountable for their actions before a court of competent jurisdiction. As always, any police investigation must respect the Charter of Rights of every person, including the right not to be subjected to unreasonable search and seizure, the right to legal counsel and the right to remain silent.

As well, it is critical that evidence heard publicly in this forum does not in any way taint potential interviews with subjects or the levels of their co-operation in what remains an ongoing and incomplete investigation.

I am aware that this investigation is important to the members of this committee, the Legislature and the executives in government. It is also important to me. However, I must also express that decisions made by the OPP senior leaders in the deployment of resources and related expenses are prioritized based on the need to respond to urgent and/or emergent issues concerning public safety and then other incidents that are not urgent or emergent in nature.

Let me start by bringing you up to date on the OPP's ongoing investigation into the Ornge air ambulance service.

On February 6, 2012, the Ministry of Health and Long-Term Care requested an investigation based on reports by

company insiders of financial improprieties by management of the Ornge conglomerate. If government representatives have reason to believe that a criminal offence has occurred, they file a complaint and the OPP may initiate an investigation. The OPP did commence an investigation, under the direction of a detective inspector from our criminal investigation branch. This major case manager is heading up a team of investigators from the OPP's anti-rackets branch corruption unit, which includes a forensic chartered accountant. Additional investigators from the anti-rackets branch have been supplementing this team as necessary.

Support staff members from our evidence management unit have managed and processed documents seized for review. Investigators have followed up on tips and information received from current and former employees of the Ornge investigation, and that work continues to this day.

I can advise you that investigators have travelled throughout Ontario and outside of Canada to the United States to do interviews and collect documentary and electronic evidence. The investigative team has been in communication with members of United States law enforcement agencies, the RCMP and others and have been assisted by these officials.

To date, our investigators have conducted more than 60 interviews, including current and former employees of Ornge, other government of Ontario employees and persons within the aircraft industry. They have gathered and are currently examining over 30,000 pages of documents and more than 500,000 email communications, all in search of items of evidentiary value.

As you know, an enormous amount of data can be stored on a variety of devices, and it's not unusual for the OPP to seize thousands of gigabytes of information in some investigations. The analysis of data is a lengthy and complex process, but a thorough review of these exhibits is essential for a proper and complete investigation. The documentation, especially that involving financial records, once reviewed, leads to more initial and/or follow-up interviews with involved persons.

1240

My update to the committee is this: Investigation into activities at Ornge continues. I mentioned here last year that within a year, we'd know whether or not there will be criminal charges laid. We're certainly closer to that determination now, but the investigation is still not complete, and I cannot speculate on the eventual outcome.

Every investigation is unique, but my experience is that it is not unusual for such complex investigations to take multiple years to complete. As this and any OPP investigation unfolds, information situations arise that may add to the time required to determine whether charges will be laid, and that remains the case today. We're not there yet.

During the past year, OPP investigators worked closely with the federal department of justice in lawfully and respectfully making applications through the mutual legal assistance treaty, or MLAT, process to gain access to

information and to compel witnesses from other sources outside of Canada. The process is not timely and requires that a proper process and protocol be obeyed. The federal department of justice is assisting us to the best of their ability. Although a properly completed criminal investigation may seem lengthy to some, it is absolutely necessary to invest the time to thoroughly analyze the information gathered if the actions of the involved individuals are to be revealed.

I can tell you that our investigators will take the time they need to follow the evidence to its logical conclusion and then take appropriate action, if required. Many of the specialized sections in our anti-rackets branch and our technological crime unit are currently stretched for resources, and each new case creates a bigger workload and greater backlog. Some investigations that involve imminent public safety concerns are obviously given priority.

I'd be pleased to answer any questions you may have in regard to my comments and the progress of this investigation. However, it is noted at the outset that the disclosure of the specifics of any evidence gathered or findings to date will potentially compromise the integrity of the investigation and prejudice the prosecution of any offences arising therefrom.

Thank you, sir.

The Chair (Mr. Norm Miller): Thank you, Commissioner, for the opening statement. We'll move to the opposition first. Mr. Klees, you have a total of 25 minutes. You can either use it all at once or save some for a second round, if you'd like, and you can indicate to me what you want to do.

Mr. Frank Klees: Thank you, Chair. Commissioner, welcome back, and congratulations on your retirement.

Mr. Chris Lewis: Thank you, sir.

Mr. Frank Klees: We wish you well.

Mr. Chris Lewis: Thank you.

Mr. Frank Klees: You were here almost a year ago; it was March 20 when you gave testimony. At that time, you told us that "OPP investigators"—and I'm reading from your testimony—"have conducted interviews with more than 50 people during the course of this investigation." As of about a year ago, some 50 people had been interviewed, and you've just told us that as of today, some 60 people have been interviewed, so an additional 10 people over the course of the year.

Mr. Chris Lewis: That's correct.

Mr. Frank Klees: It seems to me that—I have to tell you, we're obviously concerned. We read about Finmeccanica, AgustaWestland's parent company, seeing criminal charges laid in other jurisdictions. We see Mr. Orsi, a senior executive of AgustaWestland, of Finmeccanica, being arrested. We read about those files, and they are uncannily similar to the kind of transaction that has gone on here, in terms of what I have no hesitation in this room referring to as an apparent kickback. We had testimony here from people who worked with Ornge and who were on the front lines of negotiating that deal

who told us that that transaction was highly, highly questionable.

The first question that comes certainly to my mind is, if investigations can be completed in other jurisdictions on a similar file, why are we still so far away here, given all of the testimony that we've had and what appears to be apparent? Why is it taking so long?

Mr. Chris Lewis: Well, there are a couple of issues, Mr. Klees. Number one is that no two investigations are the same. I investigated homicides where the person who was accused of committing the homicide was under arrest in 24 hours; we have cases that are 40 years old we haven't solved yet. We have to follow the evidence. We have to abide by the procedures and processes that the courts have dictated we proceed by. And we have hundreds of thousands of emails and we have thousands of documents to examine. Unless you want us to shut down a division of the OPP and work on this full-time, then it's going to have to run its course and that's all there is to it.

Dealing with foreign countries and MLAT treaties takes months and months and months to do. You just don't snap your fingers and fly to another country and start seizing documents and interviewing people. It's just not that simple. You have to rely on us as the OPP, a world-class organization that is widely respected for our investigative expertise—and our anti-rackets branch, which has been doing this sort of work since 1960 and leads many complex fraud investigations that often take years to investigate—and just know that we're doing our best.

One of the issues that doesn't help, to be quite candid, is that we're in the middle of a criminal investigation at the same time there's evidence being heard from people who are witnesses in a criminal investigation. At least one witness—I don't even know the name, so please don't ask—who appeared indicated he was going to be fairly co-operative with us, and after appearing in this committee declined to speak to us. So that doesn't help.

I respect the role of the committee, but we are asked to investigate this. We are, and to get pushed to do it quicker than we can in the middle of this process while we're trying to do our best is not easy for us.

Mr. Frank Klees: So, in that case, this is a criminal investigation—

Mr. Chris Lewis: It is.

Mr. Frank Klees: —you have a witness who obviously is key, given that he was here and you had identified that witness as someone who would be pertinent to the investigation. He declines to meet with you. Do you compel, or did you compel that witness?

Mr. Chris Lewis: We have no ability to compel. We can't force anybody to talk to us, an accused person or a witness, or even a victim, for that matter.

Mr. Frank Klees: And at what point—let's assume that that individual has critical information. At what point would that person be compelled?

Mr. Chris Lewis: Only under a subpoena by a competent court to have that person testify.

Mr. Frank Klees: And why would you not apply to the court for a subpoena?

Mr. Chris Lewis: That's something you might see on television in the United States. That doesn't happen in Canada under our judicial system. If there's a charge laid, we could subpoena an individual to testify, but there's no court process ongoing right now by which we could subpoena somebody to give evidence.

Mr. Frank Klees: So, if we have someone who has knowledge of the file and their knowledge could potentially lead to charges being laid, what you're telling us is that you're powerless to compel that person to provide the evidence that could potentially lead to a criminal charge. Is that correct?

Mr. Chris Lewis: That's correct. Nobody can be forced to talk to the police. You could catch someone in the act of committing a heinous crime, and they're under no obligation to talk to us. They have that right, and of course, in cases like this, they're surrounded by teams of lawyers. They know their rights, and that's fine. We have to respect that, as we do this process, as we do the court process in Canada.

Mr. Frank Klees: So if in fact charges are laid, you can in that case compel that witness to come forward, or the court can.

1250

Mr. Chris Lewis: That's right. Correct.

Mr. Frank Klees: And then, in the course of a trial, that person's evidence would be brought forward.

Mr. Chris Lewis: That's correct, but we won't know that person's evidence. We may know bits and pieces of what we believe that person's evidence should be or involvement or knowledge of certain things. I know none of those details, obviously; I'm just speaking very hypothetically. When the individual takes the stand, they could say something totally different, and now we have to run out and then investigate what the individual said. I know it's frustrating for investigators. When we're investigating a homicide, for example, and we know that an individual may have seen or heard something or touched a piece of evidence, and that individual says, "I'm not talking to you. Here's my lawyer's name"—refuses to co-operate, refuses to talk—there's nothing we can do. Absolutely.

Mr. Frank Klees: But it may at least motivate you to be more persistent in another direction, knowing that there's something questionable—

Mr. Chris Lewis: Oh, our people are quite persistent at what they do. At the same time as I was here last week in a different committee—the night before, we had four people shot, two fatally, around Napanee. That same day, the highway was blocked off with 100 vehicles in a pileup on the 400, and all over Ontario the same things were occurring, and on and on. So as a result of all that, our leaders in our organization have to make very difficult decisions around where to deploy resources. Do we deploy resources to assist in a fresh homicide, or do we follow up a bad cheque investigation somewhere? They're difficult decisions, and we don't want anybody

to be victimized, but unless we have thousands and thousands of people with nothing to do, we have to deploy to the best of our ability. We want to get this thing wrapped up as much as anybody does.

Mr. Frank Klees: I think the assurance that we're hoping to get from you is that while we recognize there are resource challenges and that this isn't the only file that you're dealing with, it's not a matter of not being persistent. It may well simply be that it will take longer than expected to come to a conclusion here.

Mr. Chris Lewis: That's exactly correct, sir. When I answered the question last year, it was a best guess at that time based on how the investigators felt things were going that year. It's going to be longer than a year, but I can't hazard a guess of how long. There's nothing our investigators would want more—if they can prove a criminal offence occurred and prove who did it and lay charges, that's what they do, and that's what they want to do.

Mr. Frank Klees: You indicated that you'd been in touch with other enforcement agencies in the US.

Mr. Chris Lewis: That's correct.

Mr. Frank Klees: I believe, last time, you did mention that contact had been made with Italy as well.

Mr. Chris Lewis: That's correct.

Mr. Frank Klees: Can you tell us, are there any other international jurisdictions that investigators have interviewed or have had contact with?

Mr. Chris Lewis: I'm not aware of any, other than those two. I know our investigators have been to the United States, and I know they plan to go to Italy, but that's part of that whole discussion around the mutual legal assistance treaty, MLAT, and the federal department of justice to arrange all that to be properly done. We've already approved the travel, and we're just waiting for things to come together so our officers can travel to Italy.

Mr. Frank Klees: Given the fact that Augusta-Westland's headquarters are in Pennsylvania, the US headquarters, and that that's where the deal between Augusta-Westland and Ornge was negotiated, it's now an international file. Is the RCMP involved in this investigation in any way?

Mr. Chris Lewis: Once again, I don't know the finite details, but I do know that our investigators have been working with the RCMP on this file. What their involvement or their role is, I don't know. But as soon as we start getting involved in international investigations, our protocol is that we deal with the RCMP, because they have contacts in various countries around the world, including within the United States of America, and those contacts will help pave the way with local law enforcement and other enforcement agencies, rather than us knocking on the door, making a call out of the blue. The RCMP have the established linkages. So we take full advantage of that.

Mr. Frank Klees: I'm assuming, then, that the FBI would be involved in the file as well.

Mr. Chris Lewis: I'd only be assuming. I don't know the answer to that.

Mr. Frank Klees: Okay. You mentioned in your last testimony that you have a major case manager, someone who is very competent and highly experienced. Can you tell us, is the same case manager still on this case? Is it the same unit of people who are carrying this investigation through?

Mr. Chris Lewis: It is, sir. It's the same. The detective inspector's name is Chris Avery—male Chris. He still is the officer in charge, and he still has the same core group, to my knowledge, supported by others if and when the need arises. Then we have our technological crime section involved as well, who support Chris, who is the overall officer in charge.

Mr. Frank Klees: It's a complex case, as you indicated in your testimony, and you indicated that there are legal experts as well as forensic accountants involved in the investigation. Given that, do you have any idea at this point how much this investigation has cost, so far?

Mr. Chris Lewis: I do not, sir. We do track those things; I just don't know the answer to that question.

Mr. Frank Klees: Is that something that you'd be willing to share with the committee if you—

Mr. Chris Lewis: It's be something I'd be willing to discuss with our own counsel and the Clerk. Certainly if that's feasible and appropriate, then I will, but I'm not quite sure where all that stands right now. At any major event, whether it be the response to a tornado or a homicide, we start tracking that event immediately, to keep track of the costs for a variety of reasons. So it shouldn't be difficult, but I can get back to the Clerk on that.

Mr. Frank Klees: So can you, then, confirm that—and I realize that we can't be specific about this. But you indicate now that there are some 60 witnesses that have been interviewed. Would any of those witnesses have been employees of the government?

Mr. Chris Lewis: I don't know the answer to that, sir.

Mr. Frank Klees: Okay.

Mr. Chris Lewis: I'm assuming so, but once again, I'm only assuming. I know we received co-operation from Ornge and the Ministry of Health, so it goes without saying that in all likelihood some of those folks have actually been some of the 60 interviewed—and 60 people interviewed, some maybe several times, depending on the course of the investigation.

Mr. Frank Klees: Chair, I'll yield.

The Chair (Mr. Norm Miller): Okay, very well. We'll move to the NDP. Ms. Gélinas.

M^{me} France Gélinas: I'll go with the easy questions first.

Mr. Chris Lewis: Oh, thanks.

M^{me} France Gélinas: Last time you were here, you guesstimated when this would be wrapped up.

Mr. Chris Lewis: Correct.

M^{me} France Gélinas: I would ask you to do a guesstimate again. Give us a time frame; give us your best guess. You know this business way more than I will ever do. I'm trusting your guesstimate judgment.

Mr. Chris Lewis: You know what? It would be such a shot in the dark for me. I can do that if you want, but I don't know. I have not asked the investigators how much longer, because I did last time and they told me a year, and here we are. I didn't want to put them in that position again, so I deliberately did not ask the question. So if I said "six months, five months from now," everybody would be waiting with bated breath and it might take another six months. It is complex, and we don't know from one interview to another, or examination of documents, where that might lead and how much time it will take. I'm always so reluctant to even give a best guess. It's going to be months, I'm sure, but other than that, ma'am, it's very difficult for me to hazard a guess.

M^{me} France Gélinas: So I—

Mr. Chris Lewis: Because we haven't even been to Italy yet. What is that going to show us, and where is that going to lead?

M^{me} France Gélinas: I'm really disappointed that it is not like on TV, that in 60 minutes it's all solved. I like the TV version of reality way better.

Mr. Chris Lewis: Oh, we all do.

M^{me} France Gélinas: But this being said, your officers want to lay charges, and there are millions of people in Ontario that have followed this and feel that they know enough about what happened at Ornge to know that it was wrong, to know that somebody has to be punished for what happened. You are one of this group representing the province, that is trying to do your job, that is trying to lay charges. Let's say that things don't go like on TV and you cannot lay charges. Then how does this wrap up?

Mr. Chris Lewis: Well, if I could just correct something in what you said, ma'am, in that we want to lay charges. If, in fact, we identify a criminal offence has occurred, and we can identify who committed a criminal offence, as a general rule in investigations, then we want to lay charges, put it before the courts and let the courts make their decision. I can't even say that, without a doubt, a criminal offence occurred here, and I can't say, if it did, who did it, let alone what the evidentiary chain is to prove it in a court.

1300

Unlike TV, where they just arrest people and an hour later they're in court, it takes months and years, sometimes, to prepare for that. So you really want to have all your ducks in a row before you put somebody before the courts, and have all your evidence together and ready to go.

How will it wrap up if no charges are laid? I believe I was asked that last time. Generally speaking, we don't subsequently release reports on investigations publicly, unless we're directed to by some competent jurisdiction. Sometimes investigations end up in public inquiries or coroners' inquests or whatever process by which we will release details and facts. Other than that, as a rule, it's often a freedom-of-information request.

We've gathered a lot of personal information here about people who are witnesses who may have done

absolutely nothing wrong, and about people who may have done something wrong and we can't prove it and can't lay a charge.

So there are a lot of issues around disclosing that publicly and releasing that, and it will take greater legal minds than mine to make the decision as to what would be released publicly and what wouldn't. We'd certainly put out a statement to some effect, but it would be fairly benign. Really, that's the only answer I can give you.

We wouldn't normally put out a report to say—now, I could be subpoenaed to a committee such as this and be compelled to provide some sort of documentation, and that's something that we'll discuss if, in fact, that's the case down the road.

I'm not trying to be unco-operative in the slightest.

M^{me} France Gélinas: No, no; I understand. But at some point you—

Mr. Chris Lewis: It's just that legal processes are what they are.

M^{me} France Gélinas: But at some point, you would know that you are done.

Mr. Chris Lewis: We would know we're done to a certain point and that we don't have enough evidence to lay a charge. That's not to say that that wouldn't result in somebody coming forward a week later and saying, "Okay, I want to talk now, and I want to tell you something." We never say "never."

In homicide cases, we have cases that are 40 or 50 years old and we don't have any evidence to follow up, but if someone calls us tomorrow, we're on it, and we'll continue the investigation, because we really want to do what's right for victims and for the communities we serve.

M^{me} France Gélinas: You have told us of one example where the work that we do was not too helpful to you. Can you tell us if there is work that we can do that would be helpful to you?

Mr. Chris Lewis: No, off the top of my head. Once again, I'm not trying to be unco-operative or critical, but it is extremely difficult for me to come here and answer questions, so I deliberately know very little so that I can't accidentally ruin an investigation or potentially prejudice a court process.

If there's a lesson to be learned in all of this for me, it's that I would rather not see these committees occur in the middle of ongoing investigations. But it is what it is, and I have to respect the process and the decisions and abide by them. But it would be a lot easier if we didn't have this weighting us, and then have our people feel, potentially, by some of the media coverage, that members of provincial Parliament are upset that we're not done yet. That doesn't help our people at all. But they'll still do what they have to do, and they'll do it to the best of their ability, because they're professionals.

M^{me} France Gélinas: I'm fully aware of the human factor in all work that people do. Am I going too far in interpreting what you just told us as you can't wait until we wrap up?

Mr. Chris Lewis: I can't wait until we wrap up, and if I don't have to testify about this again, I'll be quite happy. Whatever else your committee does that doesn't involve me, I don't care if it ever wraps up. It's just the OPP piece of it that concerns me.

M^{me} France G  linas: Okay.

Mr. Jagmeet Singh: I just want to ask you some general questions about the investigations, in terms of the process or the progress. Have you, to date, applied for any search warrants?

Mr. Chris Lewis: I know we have executed none. I can't say we haven't applied for any; I don't believe so. But I know we have executed no warrants. We've had full co-operation from Ornge.

Mr. Jagmeet Singh: Okay. Is there any intention to obtain information that would require a search warrant?

Mr. Chris Lewis: I don't know that either. Once again, we haven't visited Italy, and so how all that will work is an issue for the investigators to sort out with proper legal counsel.

Mr. Jagmeet Singh: Sure. Now, just to put something into context—and you know this quite well, but I think this would help, just putting this on the record—there is a stark difference between someone doing something wrong, and in the case of Ornge, doing something wrong that the taxpayers, in terms of political accountability, government accountability or this committee's pursuit of what went on and the lack of accountability, or whatever steps went on—there's something starkly different between that and then the laying of a criminal charge. The onus and the definition of a criminal offence and the burden that you need to meet to achieve that, versus showing that there was mismanagement or there were some inappropriate activities or there was a lack of or negligent behaviour—that and what you're doing are two quite different exercises.

Mr. Chris Lewis: Totally different, sir. If I could just give an example of that, I know people in this country who have committed murders and I would love nothing more than to charge them and bring them before the courts, but we don't have the evidence to do it.

Mr. Jagmeet Singh: So what you're trying to do is obtain not only evidence of inappropriate activities, but specifically inappropriate activities that are actually unlawful activities, activities that would form the basis of evidence that could actually satisfy a criminal offence within the definition of the Criminal Code.

Mr. Chris Lewis: That's correct, and this is a criminal investigation, so that is our focus: whether someone did anything criminal or not.

Mr. Jagmeet Singh: And you could find all sorts of evidence and all sorts of data or documents; you could have your fraud team, which has a great level of expertise in this area, your technology folks, who could look into all sorts of different sources of evidence, but come up with nothing that actually meets the burden of a criminal offence.

Mr. Chris Lewis: Or the proof of a criminal offence. Sometimes we have evidence of a criminal offence, but

not enough to lay the charge or convict. That's something that the prosecutors have to consider: What's the probability of a conviction? If it's, "Okay, you know what? It looks like he or she probably did," and there's some evidence, but no jury or justice is ever going to convict based on that, sometimes it's not worth the public interest to proceed, depending on the case and what's involved.

Mr. Jagmeet Singh: Right, and I'm sure you've heard this terminology: "But we have no reasonable prospect of conviction." That terminology is often used by crown attorneys: that perhaps there's some evidence here, but there's certainly not enough to rise to the level of obtaining a conviction.

Mr. Chris Lewis: That's correct.

Mr. Jagmeet Singh: In terms of the next steps forward—we understand that there have been 10 people in terms of interviews. In this case, though, for it to find the evidence that you need, you don't necessarily need witnesses to actually make the foundation of a case; you could perhaps, if you find the right evidence in terms of documents, in terms of data, in terms of correspondences, form your case, potentially, with the right information without witnesses; that's not the only way to lay charges.

Mr. Chris Lewis: As a general rule of thumb, that's correct. I can't say that specifically in this case.

Mr. Jagmeet Singh: Okay.

Mr. Chris Lewis: But generally, in some cases, you have one witness—

Mr. Jagmeet Singh: That's right, or sometimes you have no witnesses.

Mr. Chris Lewis: —and then supporting physical evidence of some sort.

Mr. Jagmeet Singh: Right. So now, moving forward, next steps, there are certain barriers that you face, and you've said those and you've been quite forthright. You have different treaties that you have to work through when dealing with international jurisdictions. That's one issue, right?

Mr. Chris Lewis: Right.

Mr. Jagmeet Singh: You have people, whether it's for their own reasons or based on advice from lawyers, who are not providing statements, which is within their right.

Mr. Chris Lewis: That's right.

Mr. Jagmeet Singh: And you also have—one of the other hurdles or obstacles in these types of investigations is, you have complex agreements and documents and transactions; just to decipher them, let alone get evidence out of them, is often a great obstacle.

Mr. Chris Lewis: It is, correct—especially in this type of case.

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Mr. Jagmeet Singh: Right. In your opinion, given the fact that throughout all the transactions, everything that occurred in Ornge, there has been legal advice given to all parties, so while your investigators are looking to find evidence, your investigators are well aware, and I'm sure you're well aware, that every step of the way, the folks involved in this activity sought legal counsel before they

made decisions, and I'm sure that has insulated their activities from potential legal charges.

Mr. Chris Lewis: That is often the case. I can't say that it's the case with every single person involved in this, but that is generally the rule. It's well publicized. Everybody knows it's coming. Everybody knows we're going to knock on the door at some point. If they were involved, they're seeking legal counsel, as a rule.

Mr. Jagmeet Singh: More than that, prior to any thought of an OPP investigation, along the way from what you know of this investigation, you know that there was legal counsel obtained by folks at Ornge and Augusta-Westland. All the parties involved had legal counsel that advised them along the way.

Mr. Chris Lewis: Nobody has told me that specifically, but it's an assumption.

Mr. Jagmeet Singh: Okay. Besides Italy, is there anywhere else that you need to go to take this investigation to the next step?

Mr. Chris Lewis: We may need to be back in the United States on maybe several occasions; I don't know. I know we have been; I don't even know how many times. But certainly Italy is a next stop.

Mr. Jagmeet Singh: Have you exhausted all of the—either data, correspondences, documents that you need here in Ontario and specifically as it's related to Ornge in Ontario?

Mr. Chris Lewis: I don't know that for sure.

Mr. Jagmeet Singh: But you haven't had any problems obtaining anything you needed, so you haven't needed to execute a search warrant?

Mr. Chris Lewis: I've been told that within Ornge we've received full co-operation. That's one of the reasons that was cited to me why we haven't executed search warrants: because it was given to us by Ornge.

Mr. Jagmeet Singh: Okay. Has there been any concern about the deletion of documents or the destruction of documents that might have been necessary? Are you aware of that as a concern or has it been raised as a concern?

Mr. Chris Lewis: That hasn't been raised as a concern with me.

Mr. Jagmeet Singh: It has not.

Mr. Chris Lewis: No, it has not.

Mr. Jagmeet Singh: Beyond documents and beyond electronic evidence, is there any other sort of evidence that you require that you're pursuing in terms of perhaps video surveillance or other sorts of—

Mr. Chris Lewis: I'm not aware of any of that, no. That falls into those questions I just don't ask the investigators.

Mr. Jagmeet Singh: Sure.

Mr. Chris Lewis: My fear is not so much disrupting the investigation, because I'll always be very careful that I don't, in some way, prejudice it with something I say, but I could inadvertently say something—maybe inaccurate, and hurt a potential witness or maybe bring discredit to somebody wrongly or somehow jeopardize the investigation and some witness coming forward, etc. So I

deliberately don't know; then I can't mess that up for our investigators who are trying to do the best they can.

Mr. Jagmeet Singh: Fair enough. I think maybe my colleague might have some more questions. But just in terms of—if I could make a distinction between this type of investigation and other investigations—and I'm going to give you a scenario, and you let me know if you agree or disagree with it.

Mr. Chris Lewis: Okay.

Mr. Jagmeet Singh: I submit or I suggest that in other investigations that involve perhaps members of organized crime or characters of a less-than-reputable nature who in those types of investigations, perhaps where there are confidential informants, there's a high level of security concern with respect to people coming forward and that any sort of leak of information could result in potential harm to another person. In those circumstances, in those types of investigations, there's a much higher level of alert, and in this investigation it has more of a fraud nature to it perhaps, or there's that racketeering angle to it that the specialized team of investigators are drawn from. There is less of a concern in this investigation with that type of security or threat to potential witnesses than in those other types of investigations that I've laid out. There are certainly two different types.

Mr. Chris Lewis: There are several different types. Certainly, if we're investigating an organized crime group for something, the fear of danger and the fear of threat to public safety and officer safety is very great. Normally in this type of investigation, as a very general rule we don't see that. I can't say for sure that we don't see that in this case, because once again I don't know. Nothing has been brought to my attention of that nature.

Mr. Jagmeet Singh: Sure. Fair enough.

Mr. Chris Lewis: Sometimes people don't want to talk to the police out of physical fear or danger or because of civil liability. Some people just don't want to talk to the police, whether they know something or not. Not wanting to talk to the police isn't always because of the fear of physical harm.

Mr. Jagmeet Singh: Right.

Mr. Chris Lewis: Sometimes it's a fear of the lawsuits or whatever, the notoriety, in some cases, that will follow.

Mr. Jagmeet Singh: Fair enough.

Mr. Chris Lewis: But once again, I can't say that that's what's occurring here at all. I'm being very general, hypothetical—

Mr. Jagmeet Singh: Right, right; you're just saying—and I presented a general, hypothetical situation.

Mr. Chris Lewis: Yes.

Mr. Jagmeet Singh: That's fair. I have no further questions at this point. Perhaps, in the rotation—

M^{me} France Gélinas: I'm going to let it go around.

The Chair (Mr. Norm Miller): Okay. We'll move to the government side. Mr. Mauro.

Mr. Bill Mauro: Thank you, Mr. Chair. Commissioner Lewis, welcome. Good to see you.

Mr. Chris Lewis: Thank you, sir.

Mr. Bill Mauro: I was not here the last time that you were here on this committee. Quite frankly, I'm not completely certain why you're here, but maybe we'll get into that in a little bit. I don't know what was asked last time that you were here, but I'm just interested if you can describe for me the process that led to the involvement of the OPP in this particular situation.

Mr. Chris Lewis: I received a call from the then Deputy Minister of Health and Long-Term Care directly to my office. I knew the individual personally. He was once our deputy minister in community safety and correctional services. Words to the effect, to me at that time, and it was followed up with correspondence, were that, through some auditing process of some sort, things had come to light; potential financial irregularities and potentially a criminal act had occurred within Ornge. I don't recall if he said what that was at the time; I don't believe he did. It was more general, and that they felt it should be properly investigated by the police to determine if, in fact, a criminal act occurred, and if so, by who. I'm reasonably sure there wasn't even a name mentioned; it was just within Ornge, so potentially government employees committing some criminal act in relation to financial issues.

Mr. Bill Mauro: Okay. So the beginning of the OPP investigation was in fact information that came to the OPP from the Ministry of Health and Long-Term Care?

Mr. Chris Lewis: Right. That's correct.

Mr. Bill Mauro: So that's how this started; that's how the OPP came to be part of this?

Mr. Chris Lewis: That's correct. The investigation was requested, and we assigned people accordingly to conduct that investigation.

Mr. Bill Mauro: Once an investigation begins—I think most of us around the table have been involved politically, provincially and/or municipally, maybe some federally, I don't know, for a period of time, enough to understand that, at least speaking for myself, none of us want to be perceived at all as attempting or looking like we're trying to influence the investigation of the police force. It's a foundational principle of our democracy, so I'm wondering if you can speak to that just a little bit.

Once the OPP had received the information from the Ministry of Health and your investigation actually began, what is it that should happen or should not happen when it comes to the government or any of the other members of the Legislative Assembly, who are publicly elected people, in terms of what they should or should not be doing with the OPP, with an ongoing investigation?

Mr. Chris Lewis: That's a fairly big question, sir. I'll try my best. The bottom line is, we all have obligations, in particular as elected officials or appointed officials like myself, to respect legal processes and not do anything that's going to in any way taint an investigation or potentially a criminal court process. I think, as public officials, we have a duty to co-operate with investigations and due process and not do anything to hamper any of that, really, is gist of it, I suppose.

Mr. Bill Mauro: There's complete independence, of course, is the point of my question.

Mr. Chris Lewis: Oh, totally.

Mr. Bill Mauro: Yes.

Mr. Chris Lewis: In my career as an executive, I've reported to ministers representing all three of the main political parties in this province. So I have to be very apolitical, as do the officers in the OPP. That's never a concern. I have to be very aware of governments trying to steer us in a certain way. That's never been a concern. Every party has accused another party of doing that at some point when they're in government, and it's never been an issue for me. I wouldn't tolerate it. I'd report it immediately to the deputy minister, who's a government official, not an elected official, who'd report it to the secretary of cabinet and action would be taken. Never happened. Not happening here. It hasn't happened in any investigation involving any government in my career, to my knowledge.

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Mr. Bill Mauro: So, understanding that, that the ministry referred information to you that led to the beginning of the investigation and that there's complete independence and separation between the elected branch and the investigative branch, what is it of consequence that today, being here for the second time in less than a year—this isn't a criticism of you or the OPP. I'm simply curious as a new person here with you for the first time as to what it is you can provide this committee. In fact, you've provided us a letter here that maybe I'll get to in a little bit, but what is it of consequence that you think you can provide to the committee?

Mr. Chris Lewis: In my mind, my goal is to provide all the parties here—that we've taken this seriously, that we're doing it to the best of our ability. It's complex, and it may take longer than we would all like, but you have to have confidence in us as the OPP that we'll do the right thing, and if charges can be laid against an individual, they will be. That's what we do.

Mr. Bill Mauro: You've spoken in response to previous questions—I'm not sure from which party it was—that you'd prefer not to be here and that it provides an opportunity for you, representing the OPP, to compromise an ongoing investigation. If I'm being unfair in my characterization of your response, I apologize, but there are risks inherent with your being here today. I mean, you're a seasoned veteran, and we all know that nothing is going to happen, but the opportunity is there for you to compromise an investigation by being here today, and in fact you referenced it when you spoke to a witness, I think. You said that there was somebody who made representation here at committee who subsequently was no longer interested in speaking with the OPP.

So perhaps, if you could, please expand on that a little bit, going back to my earlier request about what it is of consequence you can provide to this committee that couldn't have been done in a letter as opposed to whatever inherent risks there may be in terms of you compromising the investigation.

Mr. Chris Lewis: In a nutshell, as I said earlier, I deliberately don't know details that I could inadvertently release.

Just, for example, hypothetically, let's say tomorrow we're executing a search warrant at 123 Main Street. If that somehow or other slipped out in this room and I said that, there wouldn't be much to find at 123 Main Street tomorrow, in all likelihood. Or if we're interviewing John Doe next Thursday and I mentioned that here in some way, John Doe might be missing, or John Doe might get his facts in order in a different way, whatever. So I'm very, very aware of that and very concerned about that, and certainly no member of this committee from any party has pushed me to give information that I can't give or to find information that I don't know the answer to, and I respect that and thank all for that, because that would really put me in a terrible spot. But it hasn't happened, and even if I was forced at gunpoint right now to tell you details, I don't know them, and that's the reality.

Mr. Bill Mauro: We're all interested in seeing this conclude in the public interest, and I go back to the point, saying it was the Ministry of Health in fact that directed this to the OPP. It has resulted in a criminal investigation. But just to underscore, before I move on, there is, even albeit a very small risk, a risk to an ongoing investigation. I guess it's fair to say it's a bit unusual for you to be giving public testimony during an ongoing investigation. I don't know if it's rare or just something you would prefer not to have to do.

Mr. Chris Lewis: It's both.

Mr. Bill Mauro: Okay. It's rare and it's something—

Mr. Chris Lewis: It's the third time I've done it in 36 years, and it's the third time I've done it in 12 months.

Mr. Bill Mauro: Yes, understood; point made.

There have been a few questions from the opposition around the timelines associated with your investigation. In your opening remarks, you referenced 500,000 emails, I think was the number that you used. When you use a number like that, that that's what you have in your possession, are all of those emails being gone through individually? I'm just trying to understand what that means.

Mr. Chris Lewis: They will have to be—I don't know what state they're at—and they have to be cross-referenced, because, at some point in an email, they may refer to John Smith and 5,000 emails back his name comes up, and so you have to see what the relationships are, and it's a huge task.

Mr. Bill Mauro: So it's a big volume of work. Okay. My last question—and then I'll save my time, Mr. Chair—would be as well in terms of the question from the opposition around the timelines associated with the ongoing investigation. Your letter references—I guess the acronym is MLAT—the mutual legal assistance treaty. This refers to memorandums of understanding, or whatever the language is, between different sovereign jurisdictions that allow for the sharing of information.

Even though your letter indicates that the information will be shared, your letter that you sent to the Chair, Mr. Miller, clearly indicates that it's really not normally time-

ly or simple when you're dealing with other international jurisdictions. I wonder if you could just expand—it's new to me—a little bit on this mutual legal assistance treaty piece and how it feeds into the length of time necessary to complete your investigation.

Mr. Chris Lewis: We're really at the mercy of the department of justice and the people they deal with in other countries and other judicial jurisdictions in terms of what their priority is.

The department of justice is wonderful. We deal with them on a regular basis. When we call, a prosecutor or a lawyer from the department of justice is assigned. There's a specific unit, and there's only a handful of those folks. They start a process to understand what it is we're looking for. There are certain documents that have to be filled out, and certain communications start.

In the middle of that, if a child gets grabbed and is taken to a foreign country, then maybe all our stuff gets pushed to the side while they try and save a life, and we all get that.

But even if we had someone there working full-time, 24 hours a day, it's a very complex process. I don't know what documents they have to prepare in terms of affidavits and applications. It's just not as easy as our department of justice lawyer calling a lawyer in Italy and saying, "We've got some guys coming over. Could you get them everything they need?" It's much more complex than that, and I don't know all the workings of that.

But there's only a handful of those department of justice lawyers for an entire country of 35 million people. There are a lot of countries that there's a lot of business being done with, in terms of drug investigations, human traffic investigations and other things that—a financial crime, as important as it is to us and to the taxpayers of Ontario, may not be as high on their list as some of those other issues.

Mr. Bill Mauro: Then I could conclude, from what you've just said, that in terms of a timeline associated with an investigation where these mutual assistance treaties are involved, to some degree, and perhaps in this case, to a significant degree, the timeliness or the timelines associated with completion of this investigation are not completely within your control.

Mr. Chris Lewis: No, they're not. Our people will have to supply certain documentation to the department of justice to help them justify any legal action in terms of obtaining evidence in another country. That may involve that they have to look at all 500,000 emails first. I don't know, because I don't know all the ins and outs of it. It's a chicken-or-an-egg thing here, in terms of how they proceed.

We have a very experienced investigator—and a former fraud investigator himself—Chris Avery, leading this, so I have to rely on him knowing the best way to proceed. If there are any challenges with the department of justice—and I'm not suggesting there ever would be—then I might get involved at a higher level, to try and deal with those challenges. That's not the case at this point.

It's just time and work, and human resources to do the work.

Mr. Bill Mauro: Thank you, Mr. Chair, I'll reserve—

The Chair (Mr. Norm Miller): Very well. We'll move to the opposition: Mr. Klees.

Mr. Frank Klees: Thank you. Commissioner, I'll just take—

The Chair (Mr. Norm Miller): Sorry, you have 10 minutes left—up to 10 minutes.

Mr. Frank Klees: Okay. I'll just take a minute and explain to Mr. Mauro why we think it's important that you're here.

The taxpayers of this province and citizens haven't forgotten that millions of precious health care dollars were siphoned from what should have been an organization that was providing health care, into a web of private companies intended to benefit a small group of people. We haven't forgotten that lives were put at risk as a result of that diversion of public health care dollars.

As these committee hearings went on, we heard that there were very intentional decisions made by a very small group of people who broke the public trust and that a great deal of the public's trust was broken as a result of that.

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It was important to some of us in this committee that we hear from you, not with any intention of compromising—I think you will admit that no questions were ever asked of you that would have put anything at risk, but we feel that we owe it to the people of this province, as they were watching these proceedings and were reading about what had gone on, to be assured that you, the OPP, were taking this very seriously, that this is not something that's going to be put under the rug; it's not going to be something that is going to be taken lightly.

You've given us that assurance. Yes, you were here a year ago, but I can tell you that I hear from people, and there are questions in the media as well: "What's happening? Has this case been forgotten?" So we thought it appropriate to have you back to provide us with that reassurance, which you've done. You've given us that assurance by telling us that you're reaching out into these other jurisdictions. It's encouraging to hear from you that you have yet to speak with the Italian authorities, that there are plans to go to Italy and do some further investigation there. All of that is important to us. It's in the public interest that we know that you're doing your job, that the people behind you are doing their job. We want, through you, to thank them for doing that, because I can tell you that the people in this province want to know that what went wrong is being taken seriously so that there's a strong message to people down the road that it won't be condoned and that it will be taken seriously.

Mr. Mauro smiles. He thinks that this is something that is a partisan exercise. I can tell you and the people who are watching this and the people who have been following these hearings don't look it as that at all. This is an important issue that is critical. We've been assured by you, Commissioner, that you're taking this seriously,

that every step is being taken to ensure that people who have done wrong will be brought to justice. The very fact that they are being investigated is sending a strong signal. I want to thank you for the work that you've done.

Mr. Chris Lewis: Thank you, sir. Let me further assure all members of the committee that if in fact people have done what is suggested and we can find out who those people are, we will lay charges. That's what we do, and we will continue to do that to the best of our ability.

Mr. Frank Klees: Thank you, sir.

The Chair (Mr. Norm Miller): Very well. We'll move to the NDP: Ms. Gélinas.

M^{me} France Gélinas: My closing comments will be similar. Our air ambulance system is something that the people I represent depend on. I represent a riding in northern Ontario. Most of the 33 communities that I represent do not have an ambulance service. Those people, like many others in Ontario—we depend on Ornge being there, being strong and helping us in our times of need.

What has happened at Ornge has been so devastating to the agency that I have described it as having to be reborn from their ashes. For many weeks and months, it wasn't obvious that it was going to be reborn. So much damage was allowed to be done to that agency, and, from all that I have seen, it was for greed. It was for some people to get rich at the expense of our air ambulance service.

This has had a horrific effect on the trust that the people that depend on Ornge have with that agency. Then, weeks go by, months go by and now years go by, and we don't hear of any consequences for what has happened. We know the end result. The end result is, that agency was brought to its knees and almost destroyed, and it's taking us a lot of time, effort and energy to rebuild it. The people who depend on that agency have lost trust in this agency—also hard to rebuild—but have lost trust in the system as a whole.

How can we allow a bunch of people to completely destroy it for the sole motive of getting rich and no punishment will come of it, no consequences will come of it?

Then, all eyes turn to you, because the Minister of Health says that after she got the thing, she phoned the OPP. You were the saviour on the white horse who was going to build back that trust, who was going to show justice for a lot of people who want justice.

But then, when you come and explain—I agree with what Mr. Klees has said. I trust that you're doing the best job you can and that you're being thorough and thoughtful and will try really hard. But you've also left me with the impression that the bar to go from "You know that wrongdoing has happened," to reaching the bar where "and consequences can come of it"—those are so far apart that I have kind of lost hope there. You've convinced me that the bar is really high for a very good reason and that the chances of meeting that are pretty tiny. I'll leave it at that.

Mr. Chris Lewis: Yes, and the bar is high to reach and difficult to reach. That's the system, and that's to prevent people from being convicted who shouldn't have

been. But it just requires hard work and patience, following the evidence, doing things properly. The odds of someone who's truly done something wrong being brought to justice are not tiny, in my view. It's just that it takes longer than we would all like, but we've got to do it right to eliminate the tiny piece and have that piece be something that is acceptable by the public we serve.

The Chair (Mr. Norm Miller): Very well. Mr. Singh?

Mr. Jagmeet Singh: Thank you. I don't have any comments, but thank you for being here, and I appreciate your testimony today. You were very forthright.

I just have some questions in closing. Have you consulted with the investigating officer with regard to this, or have they reported back about the potential charge that the evidence is pointing towards, or any number of potential charges?

Mr. Chris Lewis: I know what the potential charges are in an investigation of this type, as a general rule. Not to suggest that these are charges that will be laid against anyone, but, generally speaking, it's fraud, breach of trust, fraud against government—which is a separate offence in the Criminal Code—theft, secret commissions and breach of—I can never say this word properly—

Mr. Jagmeet Singh: Fiduciary.

Mr. Chris Lewis: —fiduciary duty. Those are the offences that generally our people who work in our corruption unit look at, whether it involves municipal, federal, provincial or the attempt to corrupt some official in some way by an outsider.

Mr. Jagmeet Singh: I appreciate your evidence. I think it deserves repetition that those are the general sorts of charges that one would look for or potentially seek evidence to meet, but you're not suggesting in any way that any one of those charges—or any of those charges in specific—are the ones that are being laid in this specific investigation, but just generally speaking—

Mr. Chris Lewis: Generally speaking in investigations of this type, yes.

Mr. Jagmeet Singh: For an investigation of this type, those are the types of charges that you would look at.

Mr. Chris Lewis: Our goal is to find out if any of those laws or others were breached, and, if so, by who, and gathering the evidence to successfully prosecute the individual.

Mr. Jagmeet Singh: Now, have you, at this stage—or in the future, do you plan to present your evidence to a prosecutor for the purpose of assessing whether it's strong enough to then proceed with?

Mr. Chris Lewis: Without a doubt.

Mr. Jagmeet Singh: Okay. And that's not normally something you would do. Normally, you would be able to proceed with—for example, if it was a charge of manslaughter or a charge of murder, you would gather the evidence; you wouldn't necessarily need to consult with a prosecutor to proceed.

Mr. Chris Lewis: We don't necessarily, but some things are so complex, we really want the legal minds to have a hard look at it.

Mr. Jagmeet Singh: Right, and that's where I was headed. In this case, I would suggest that that's probably where you'd be going and that's what you anticipate.

Mr. Chris Lewis: It's very complex, so we will likely discuss with a prosecutor.

Mr. Jagmeet Singh: Okay.

The Chair (Mr. Norm Miller): Mr. Singh, you're out of time. We'll move to the government side: Mr. Mauro.

Mr. Bill Mauro: I'll start by saying it's fortunate for me that I'm here today to have Mr. Klees explain the process to me. Good on me, I guess, that I had the good fortune of being here today to have Mr. Klees explain how this is working for all of us.

I guess I would say, Commissioner Lewis, good on you as well for not conveying any offence at perhaps the implication that you and the OPP were not taking this seriously and that we needed you here today again to have your reassurance that the OPP is taking this seriously. I suppose I would suggest that when the Ministry of Health and the deputy minister first conveyed this to the OPP some time ago, it was from that point immediately that the OPP began to take this seriously, and I thank you for the very professional way in which you responded to Mr. Klees.

I would also say that Mr. Klees raised the issue of a partisan exercise. Certainly not anybody on our side of the table here has ever suggested that. I remind people again that it was the Ministry of Health that conveyed this to you. The point I was making quite simply—and you've made it for me in your remarks as well—was that in your 32 years, three times you have had to give testimony during the course of an ongoing investigation, and all three times, I think—or two of the times for sure, of three, have been here.

That's simply the point that I'm trying to make: We take this seriously. In fact, it's the Ministry of Health that started this process. We were simply comparing and contrasting any risk that might occur to an ongoing investigation, be it as small as it would be with you and your experience here relative to what can be gained by your testimony. Anything that you've told us could have been supplied in a letter; any reassurances that were necessary by the other members could have simply been provided in a letter.

I still have some time if necessary, I suppose, Mr. Chair, but I'll stop there.

The Chair (Mr. Norm Miller): Very well. Thank you.

Thank you, Commissioner Lewis, for coming before the committee again, and enjoy your retirement.

Mr. Chris Lewis: Thank you very much, and thanks to all members of the committee.

The Chair (Mr. Norm Miller): We have a couple of housekeeping motions to deal with before we go in camera to do report writing. I believe everyone has the motions

before them, and I need someone to move the motions. Who would like to do that? Mr. Singh? Ms. Gélinas?

M^{me} France Gélinas: Am I moving this?

The Chair (Mr. Norm Miller): Yes, there are two motions before you.

M^{me} France Gélinas: Ready?

The Chair (Mr. Norm Miller): Yes.

M^{me} France Gélinas: I move that the Standing Committee on Public Accounts request the Ministry of Health and Long-Term Care to provide the document entitled “Audit of Ornge” dated 2014 in a searchable PDF document and/or in the original electronic format by no later than Friday, March 7, 2014—

The Clerk of the Committee (Mr. William Short): 2014.

M^{me} France Gélinas: That would be better—2014—

The Clerk of the Committee (Mr. William Short): At 12.

M^{me} France Gélinas: —at 12 p.m. I put them all together.

The Chair (Mr. Norm Miller): Very well. Any discussion on that motion? It was agreed to. All in favour? Agreed? Okay.

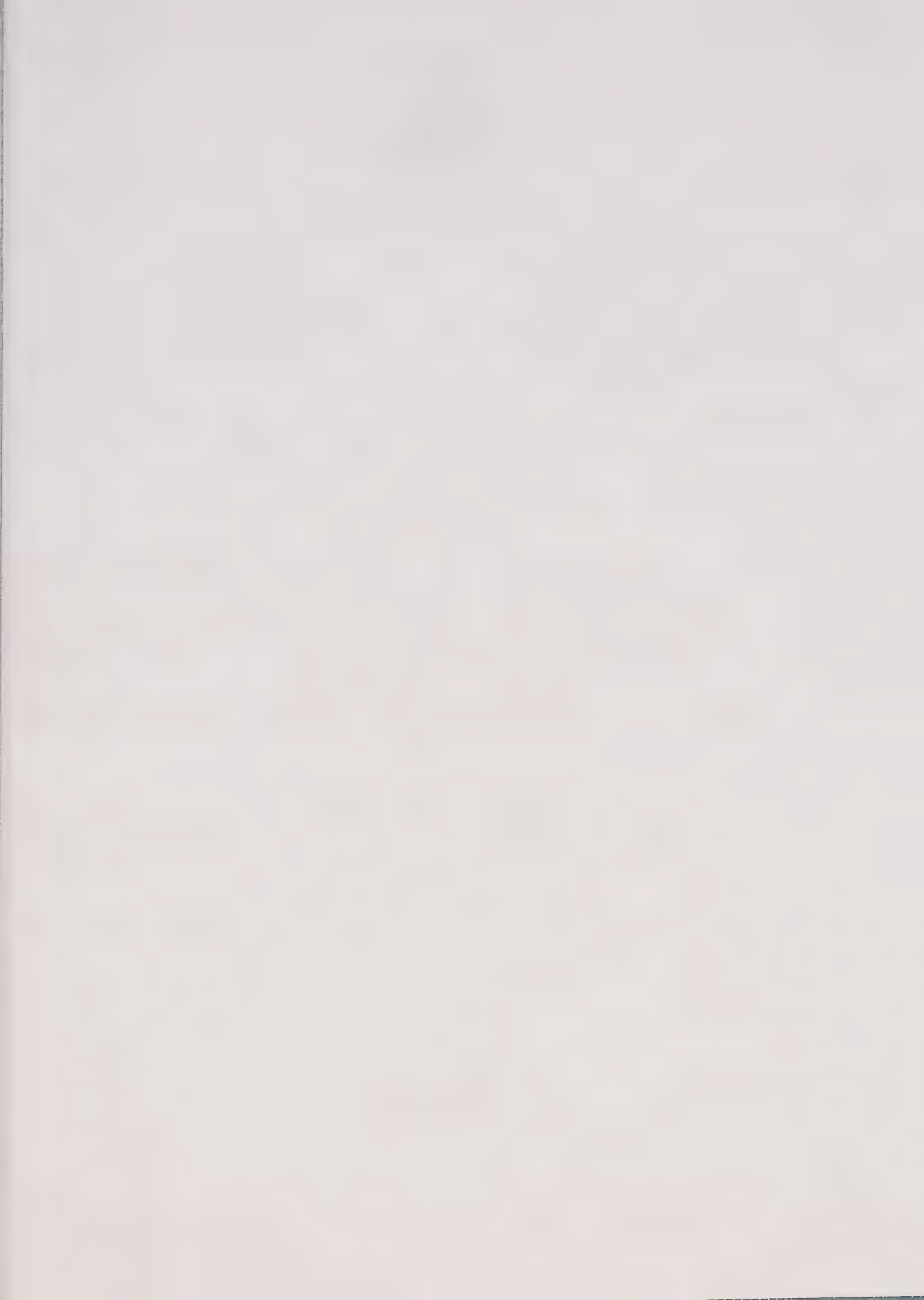
The next motion?

M^{me} France Gélinas: Ready? I move that the Standing Committee on Public Accounts request the Ministry of Health and Long-Term Care to provide all documents surrounding the bidding process/biography details regarding Margriet Kiel and the audit report entitled “Meyers Norris Penny; Review of Air Ambulance and Related Services; September 10, 2010 Final Report” in a searchable PDF document and/or in the original electronic format by no later than Friday, March 7, 2014, at 12 p.m.

The Chair (Mr. Norm Miller): Any discussion? All in favour? Carried.

Mr. Clerk, anything else before we go in camera? Okay. We’ll go into closed session.

The committee continued in closed session at 1343.



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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES
COMPTES PUBLICS

Wednesday 19 March 2014

Mercredi 19 mars 2014

The committee met at 0902 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Norm Miller): Okay. I'd like to call the meeting to order. We're continuing with the motion that was put forward by Ms. Elliott. I think we were just in the discussion stage of that. Any further discussion on the motion that you all have before you to do with community care access centres? Ms. Jaczek.

Ms. Helena Jaczek: Thank you, Chair. I apologize; I missed some of the dialogue, obviously. I wasn't here Wednesday, two weeks ago. But in section 2, in relation to those private sector entities contracted to the CCACs, I just wanted to be clear that this would be within the purview of the Auditor General's legislated capacity.

The Chair (Mr. Norm Miller): That's a very good point. The auditor has looked into that a little bit, so she has more information that she could share with the committee, both on what other jurisdictions do and also from a legal opinion.

Ms. Helena Jaczek: The Ontario legislation. Thank you.

The Chair (Mr. Norm Miller): Go ahead, please, Auditor.

Ms. Bonnie Lysyk: Yes, hi. Actually, after the meeting, I ended up thinking I just wanted to get a legal opinion on it. Different acts are different.

With the act in Ontario, we would obviously be able to access the information of the CCACs, but we can't go directly into the third party provider. What we can do is, under CCACs' arrangements with the third party provider, there is a specification that they can get any information they need from that third party provider. So what we would do is we would ask them specifically what we need, to request that information we need from the third party provider. So the act in Ontario is limited a bit that way.

Other jurisdictions—when I worked in Manitoba, we had to follow the dollar. Basically, we could access third party providers very easily. But in the case here, we'd have to work through the CCACs to obtain information.

Ms. Helena Jaczek: Thank you. Okay, that clarifies that.

When you do request the CCACs to obtain information from the private sector entities, what precisely was the intent of this clause—I guess to Ms. Elliott? What sort of information would you want?

Mr. Bill Mauro: It's France's clause.

Ms. Helena Jaczek: Oh, this was amended—okay. It was an amendment by France—

The Chair (Mr. Norm Miller): Sorry. I believe that was a change the NDP had requested. Ms. Gélinas, do you want to speak to that?

M^{me} France Gélinas: Absolutely. The conversation started in the sense that I think the number I used at the time is that if you go to a collective agreement for nurses in the CCACs, you will see that they make up to 50 bucks an hour. If you look in the collective agreement of nurses who work for contracted agencies, very few of them are unionized, but the ones who are, usually, the top of the chart is about \$35, which is 15 bucks difference.

What I wanted the auditor to look at is that, yes, but the money that leaves the CCACs to get us that one hour of nursing is way more than 35 bucks. So I wanted her to follow the money as to how much money leaves the CCACs to end up in an hour of care. This is how this came about. So she would look at—I don't know how—following the money as best she could to say: To get that hour of home care, how much did it cost in administrative fees? How much went to profit? How much went to whatever else that the contractor retains in order to give us that one hour of nursing care?

Ms. Helena Jaczek: Okay. So it was primarily really to look at the rate of the workers, the RNs, the PSWs—

Mr. Gilles Bisson: No, it's to follow the money.

M^{me} France Gélinas: It's to follow the money because we already know how much they make. They are unionized. Their contracts are available to anybody who looks. If they are unionized, their contract is available. But what I want to know is, how much does it cost the taxpayer to get that one hour of care, because I don't think the collective agreement and what the nurse gets paid tell the whole story. The whole story is that in order to get that hour of care, there's a lot of money that is being spent.

Ms. Helena Jaczek: Okay. I understand where you're coming from.

The Chair (Mr. Norm Miller): Any further discussion on the motion? Ms. Gélinas.

M^{me} France Gélinas: Mine is minute. It's in point 7 where we refer to nurses directly. I know that this is the example that I have been given, but there could have been others as well. There are nurses, but there are also therapists who are employed by CCACs. There are also

other health care providers. So, “A comparison review into the efficacy and cost-effectiveness of home care visits conducted by”—and then we have—“nurses directly employed ... and by those conducted by nurses employed by organizations contracted by the CCACs.” I would call them “health providers” rather than nurses because you may find that there are other health providers other than nurses.

Mr. Gilles Bisson: So health providers rather than nurses. That makes sense.

M^{me} France G  linas: That’s what I would like.

The Chair (Mr. Norm Miller): So we would need to amend the motion to that effect—

M^{me} France G  linas: Is this a friendly amendment? It’s just that I wasn’t clear the first time.

The Chair (Mr. Norm Miller): Ms. Elliott?

Mrs. Christine Elliott: That’s for number 7? I’m sorry.

M^{me} France G  linas: That’s number 7.

Mrs. Christine Elliott: Is that happening, though? I understood it was just happening with nurses, but is it happening with other health care providers?

M^{me} France G  linas: I can talk for my CCAC. It also has physiotherapists, occupational therapists and social workers who are directly employed and some who are contracted out. I assume my CCAC is no different than others.

Mr. Gilles Bisson: Not just yours, it’s mine, too, you know.

M^{me} France G  linas: Yes—our CCACs.

Mrs. Christine Elliott: That’s fine—

The Chair (Mr. Norm Miller): That’s fine. So do we need her to move that? Clerk?

The Clerk of the Committee (Mr. William Short): Yes. We just need to move that as an amendment.

The Chair (Mr. Norm Miller): So would you like to move that as an amendment then, Ms. G  linas?

M^{me} France G  linas: I have to amend? Okay.

“A comparison review into the efficacy and cost-effectiveness of home care visits conducted by health providers directly employed by the CCAC, and by those conducted by health providers employed by organizations contracted by the CCACs.”

The Chair (Mr. Norm Miller): Okay.

M^{me} France G  linas: I could keep “nurses” in brackets, if you want.

The Clerk of the Committee (Mr. William Short): Just keep “health providers.”

The Chair (Mr. Norm Miller): “Health providers”—okay. Any discussion on the amendment? Are we ready to vote on it, then? Very well. All those in favour of the amendment? Carried.

The Chair (Mr. Norm Miller): Motion, as amended, all—

Interjections.

The Chair (Mr. Norm Miller): Okay. We’ll have some more debate.

Mr. Gilles Bisson: Thank you, Chair. Just on “(3) Expenses of the regional CCACs and the Ontario Associ-

ation of Community Care Access Centres”—that doesn’t allow us to follow the money as far as expenses of those private providers. Right? The contractors?

I give the contractors X and they pay Y when it comes to wages for providing services. This does not allow you to look at what they’re expensing as far as what expenses they would charge against that money, does it?

Mr. Phil McNeely: Does number 5 not do that?

Mr. Gilles Bisson: No, it’s the CCACs operating costs, not the contractors’—or sorry, not those under contract.

It seems to me if we’re going to look at the cost, we need to look at the cost of those that deliver services directly, the CCACs and their practices, but we also need to look at what the service providers are doing.

My question to the auditor is, does number 3 pick up the expenses of the contractors?

The Chair (Mr. Norm Miller): Auditor.

Ms. Bonnie Lysyk: No. I think, to your point, we would likely need a reference in there to those private sector entities contracted to the CCACs.

Mr. Gilles Bisson: I so move the amendment.

M^{me} France G  linas: I also move the amendment.

The Chair (Mr. Norm Miller): Ms. G  linas, you would need to move the amendment.

Mr. Gilles Bisson: Yes, she just did.

The Chair (Mr. Norm Miller): Okay, so—

Mr. Toby Barrett: Just going back to Phil’s point about number 5, “A review of the existing contracts,” does that not cover this?

The Chair (Mr. Norm Miller): Ms. Elliott.

Mrs. Christine Elliott: I would say it does cover it, and I think the auditor has already indicated the limitations that she has with respect to directly getting information from the community care providers themselves. I would suggest it’s covered by number 5.

M^{me} France G  linas: How about I try? So the amendment—

Mr. Gilles Bisson: Chair?

The Chair (Mr. Norm Miller): Yes, go ahead.

Mr. Gilles Bisson: We just heard from the auditor who said, in fact, if we’re trying to follow the money, we would have to specify that in section 3. I think she was pretty clear.

The Chair (Mr. Norm Miller): Let’s give the auditor a second to think about it.

M^{me} France G  linas: Sure.

Ms. Bonnie Lysyk: I guess, to your question, I’m looking at number 2 and just thinking that number 3—with that reference to the private sector entities—would be very clear.

To Ms. Elliott’s point, number 5—I guess one could broadly read that, “A review of the existing contracts between CCACs and their community ... providers.” We could see what’s in their contracts and probably ask for expensed information based on that as well.

One is more specific. For number 5, I guess we’d use a broad brush to say, “We’ll look at the existing contracts and the expenses.”

For clarity, if you did want the expenses, it might be better to add it to number 3, just so we can follow it ourselves.

The Chair (Mr. Norm Miller): Ms. Gélinas.

M^{me} France Gélinas: I expect that this audit is not going to be a walk in the park. I expect that there may be a little bit of pushback from some of those contracted entities to share that information. I find if we put it in a motion from the House, then it does give power so that if they refuse, then they're in contravention to what the House has asked. To me, I would much rather it be crystal clear in adding to point 3, "Expenses of the regional CCACs, the Ontario Association of Community Care Access Centres and those private sector entities contracted to the CCAC." It makes it crystal clear. It's a little bit repetitious, but when you're facing opposition, sometimes to have things clear makes things a little bit easier.

The Chair (Mr. Norm Miller): Okay. So you want to move an amendment.

M^{me} France Gélinas: Correct.

The Chair (Mr. Norm Miller): Once again, if you don't mind repeating what you would like the amendment to be on point 3.

M^{me} France Gélinas: Sure. Point 3 would now read, "Expenses of the regional CCACs, the Ontario Association of Community Care Access Centres and those private sector entities contracted to the CCAC."

Mr. Gilles Bisson: Essentially, you're just taking the bottom end of what's in point number 2 and adding it into point number 3, "and those private sector entities."

The Chair (Mr. Norm Miller): Yes, Mr. Mauro.

Mr. Bill Mauro: Well, number 3 still goes to number 2 for me. Two weeks ago when we were here, on our side, we were pretty sure that the auditor would not be able to do what was contained in the motion, which basically led to us kicking this around for an hour or an hour and a half. The auditor has come back this week and confirmed our feeling that you would not be able to get that information from the private sector entities. You've confirmed that today.

M^{me} France Gélinas: No.

Mr. Gilles Bisson: No, no—

Mr. Bill Mauro: Excuse me. Thank you.

What you have said, though, is you can ask the CCACs to get that information. My question is both on number 2 and the amendment that's on the floor on number 3: Is the language in the motion—because it would seem to me that this needs to be amended, because the language seems to still be directing you to go do it, but we need to have language that's directing you to get the CCACs to go do it. It doesn't seem like it flows. It's

still in conformance with what Ms. Gélinas is trying to accomplish, but I don't think the wording is appropriate to effect that, because it's directing you; it's not directing you to direct the CCACs. That's my only point.

Ms. Bonnie Lysyk: I think it's fine the way it is worded. We would just go about a process in obtaining the information. It makes it clear what your expectation is of us, and then we'll see how we can get the information.

Mr. Bill Mauro: Okay, if you're comfortable with it—because it's clear that you can't do it, but you can ask them to do it. That's my only point. If you're comfortable that the wording fits that direction, then okay.

The Chair (Mr. Norm Miller): Very well. Are we ready to vote on the amendment? Amendment point number 3: All in favour? Carried.

The motion, as amended: Are we ready to vote on the motion as amended?

M^{me} France Gélinas: I don't want to drag this out any longer than it needs to be, but remember two weeks ago when we talked about this, we talked about how we used to have a system in place where home care, basically, was delivered? People got the money, delivered the care, employed the employees etc., and the not-for-profit was non-existent. Then the CCACs were created, then competitive bidding came into play, then competitive bidding was stopped, and then we have what we have now. I thought we were going to go back and look at the last year when we did not have competitive bidding to see how things have evolved. This seems to have dropped off.

The Chair (Mr. Norm Miller): The auditor thinks that was winter roads. It was a different motion we were talking about.

M^{me} France Gélinas: That's probably why it has dropped off. It applies so well to this, though.

Laughter.

M^{me} France Gélinas: I'm so sorry I didn't bring it forward before.

The Chair (Mr. Norm Miller): Okay. Are we ready to vote on the motion, as amended? All in favour? Carried. Thank you.

We're now going to go into closed session to discuss some—

M^{me} France Gélinas: Do I move my motion while we're still in open session?

The Clerk of the Committee (Mr. William Short): I'll hand it out, and it will be tabled, filed, but not—

The Chair (Mr. Norm Miller): We'll go into closed session now. Thank you.

The committee continued in closed session at 0919.

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**STANDING COMMITTEE ON
PUBLIC ACCOUNTS**

**COMITÉ PERMANENT DES
COMPTES PUBLICS**

Wednesday 26 March 2014

Mercredi 26 mars 2014

The committee met at 0904 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Norm Miller): I'd like to call the committee to order. Did we have an NDP motion to discuss this morning? Ms. Gélinas.

M^{me} France Gélinas: Actually, this motion has brought forward a lot of good ideas from a lot of people, and in order to do it justice, what I'm going to do today is I'm going to withdraw my motion. We will work behind the scenes with a whole bunch of people interested in the energy sector to bring forward, at a time yet to be announced, a better-crafted motion. So all I'm doing this morning is I'm withdrawing this.

The Chair (Mr. Norm Miller): You haven't technically moved the motion yet—

M^{me} France Gélinas: Oh, even better.

The Chair (Mr. Norm Miller): —so you don't have to withdraw it.

M^{me} France Gélinas: Do I have to move it to remove it?

The Chair (Mr. Norm Miller): No, you don't have to do that.

M^{me} France Gélinas: Out it is.

The Chair (Mr. Norm Miller): Then we'll go in camera and go to Ornge.

The committee continued in closed session at 0906.

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The committee met at 0901 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Norm Miller): I'll call the committee to order.

There was a motion that I believe Mr. Singh distributed last week. You have that version before you, but also I believe the NDP would like to move a motion that's similar but slightly different. I'll ask Mr. Miller to go ahead and move that.

Mr. Paul Miller: Thank you, Mr. Miller. Last week we tabled a motion, but after consulting with the Auditor General, we would like to make some small changes so that the motion reads as follows:

I move that the Auditor General conduct a value-for-money audit on all security contracts (including the processes for awarding of those contracts) involving the Ministry of Tourism, Culture and Sport, the T02015 Pan/Parapan American Games Organizing Committee, the OPP Integrated Security Unit, the Ministry of Community Safety and Correctional Services and any security contractors for the T02015 Pan/Parapan American Games.

The Chair (Mr. Norm Miller): Would you like to talk about the motion?

Mr. Paul Miller: Yes, I can give you a little explanation of it. Following "on all security contracts," strike out the word "between" and replace it with "(including the processes for awarding of those contracts) involving"—it's an explanation of it. Directly following the "OPP Integrated Security Unit," add "the Ministry of Community Safety and Correctional Services." Those are the changes.

Ms. Soo Wong: Can we get it?

Mr. Paul Miller: Yes, I passed it out. It's right there in front of you.

The Chair (Mr. Norm Miller): You're just explaining the changes—

Mr. Paul Miller: I explained the changes from the original.

The Chair (Mr. Norm Miller): —from the original, yes, which hadn't actually been moved; it was just distributed.

Any discussion? Mr. Balkissoon.

Mr. Bas Balkissoon: I just have a question of the Auditor General because I just want to make sure what,

in the motion, "value-for-money" would be. The contract has been issued. The performance is not going to be looked at. In my experience of doing a lot of investigative work at the city of Toronto, you cannot just look at the bottom-line dollar bid; you have to look at all the technical issues and how the ranking was done for those technical issues from one tenderer to another. If you could just tell me what you have as your vision of what you're going to go out and conduct here, I have no problem with that.

The Chair (Mr. Norm Miller): Auditor?

Ms. Bonnie Lysyk: Yes, we're fine if the term "value-for-money" is included or excluded. It would be an audit of security contracts.

From my understanding, there is one finalized security contract, and that is signed by the OPP Integrated Security Unit and a private sector security contractor. There is a second one where an RFI has gone out from the Pan Am Games, so that process isn't completed.

The audit would look at the processes around the first one that's finalized and the accountability mechanisms in the contract. The second one would look at the process to date. That's what we would report on.

Mr. Bas Balkissoon: So in the first one, you will look at all the specifications and the ranking, how the panel judged one tender against the other one, and offer your opinion or—

Mw. Bonnie Lysyk: We would look at the process. But I do know that they had a fairness monitor involved, so there is a fairness report on that first process. Obviously, we would look at that report as part of it as well.

Mr. Bas Balkissoon: Okay.

The Chair (Mr. Norm Miller): Mr. Klees.

Mr. Frank Klees: Chair, I have what I think would be considered a friendly amendment that I'd like to put forward.

The Chair (Mr. Norm Miller): Okay, go ahead.

Mr. Frank Klees: I move that everything after the phrase—

The Chair (Mr. Norm Miller): Sorry. You'd like it in writing?

Interjection.

The Chair (Mr. Norm Miller): Go ahead. Sorry.

Mr. Frank Klees: I move that everything after the phrase "and on all financial activity of the Pan/Parapan Am Games Secretariat" be added to the end of the motion.

The Chair (Mr. Norm Miller): Can we get a copy of that, please? We'll have a five-minute recess to copy the motion.

The committee recessed from 0906 to 0911.

The Chair (Mr. Norm Miller): We'll come back into open session now. There was some discussion going on about the wording of the motion. Yes, Ms. Jaczek?

Ms. Helena Jaczek: What motion are we dealing with? Can we be clear? We have received a piece of paper, I understand, from Mr. Klees, adding a phrase to the original NDP motion. Is that what we're talking about?

The Chair (Mr. Norm Miller): Yes. We're talking about the change. We just had a recess so we could have Mr. Klees make what he thought was a friendly amendment to the original motion. That's what we're discussing now.

Mr. Paul Miller: Mr. Chair?

The Chair (Mr. Norm Miller): Frank has the floor, so—

Mr. Paul Miller: Oh, go ahead. I was just going to save you some aggravation, but go ahead.

Mr. Frank Klees: Okay. I don't mind aggravation, actually. It's part of what we do here.

Clearly what we don't want to do is stymie the completion of this audit that the NDP is putting forward. We'd like to see that dealt with expeditiously. We would like to see the broader audit.

I was simply going to suggest that we reword this amendment to say that after the completion of the value-for-money audit on all security contracts, as noted above, the Auditor General complete a value-for-money audit on all financial activities of the Pan/Parapan Am Games Secretariat.

That allows us to get on with the initial intent that the member brought forward, but it sends a signal to the Auditor General that, when she has completed that, she has more work to do.

The Chair (Mr. Norm Miller): That sounds like it's a separate value-for-money audit you're proposing. I would suggest that you'd need to table that as a separate motion and we'd discuss that another week. So if you want to, sometime today, get your motion together and distribute it, then perhaps next week we could discuss that motion.

Interjection.

The Chair (Mr. Norm Miller): This amendment is out of order, then. We'll go back to the main motion. I believe Ms. Wong had the next—

Ms. Soo Wong: Thank you very much, Mr. Chair. As a new member of this committee—now we're going back to the original motion from Mr. Miller; right?

The Chair (Mr. Norm Miller): Yes, that's correct.

Ms. Soo Wong: So first of all, Mr. Chair, through you to the auditor, as a new member of this committee, I need to know the number of reports the auditor is currently reviewing; what's the status of those reports; and what is the timeline she's prepared to present? Because this is now another report that she is going to be embarking on.

I just need to know the report she has in front of her, the priority orders and the timeline, because, as a new member, I have no idea what we're dealing with.

The Chair (Mr. Norm Miller): Thank you, Ms. Wong—

Ms. Soo Wong: No, no, I have a lot more questions. That's a first start; okay?

The Chair (Mr. Norm Miller): Well, why don't we start with question one first? Okay?

Ms. Soo Wong: Yes, okay.

The Chair (Mr. Norm Miller): Auditor? We'll just give the auditor a second.

Ms. Soo Wong: Yes.

Ms. Bonnie Lysyk: I don't have my notes in front of me, but I'll talk from memory. Right now we're working on 13 value-for-money audits with a reporting date of the beginning of December, as well as about 12 follow-ups with a reporting date at the beginning of December. That's our regular work that we're doing right now.

We have a special that we will be coming out with very shortly on OLGC; that was a committee request. The other committee request was winter roads. We have initiated a conversation with the ministry on that one. For that one, I believe, we committed to report next year. We will get back to the committee with a more concrete date on that one.

We also have been asked to look at CCACs. Again, that one we have not started. For that one, we will likely initiate discussion with the CCACs within about a month and a half from now. That will be reporting, again, in the new year.

We are looking at the teachers' labour contracts. That one we will likely be reporting in the fall of this year.

I know there's another one. Maybe that's it. One, two, three, four—there might be one more. I can't remember. There might be one more.

We have a team system in the office, so it depends on which teams free up and when in order to do it. For this one, if it stayed with the original motion, we would likely start on that within about five weeks and likely be able to report at the end of summer or early fall. I've already had discussions in my office around all of this work.

Ms. Soo Wong: Summer 2014?

Ms. Bonnie Lysyk: Yes.

Ms. Soo Wong: Okay. So if the motion is approved by the committee, you anticipate the report coming back to the committee in summer or fall 2014.

Ms. Bonnie Lysyk: Correct.

Ms. Soo Wong: As a new member, the other piece where I want to get some clarification on is, as part of the value-for-money reports, will you also be looking at the findings, recommendations or conclusions from the Fairness Commissioner on this piece?

Ms. Bonnie Lysyk: Yes, for sure.

Ms. Soo Wong: Okay. Now, I know—as was probably reported today in the Globe and Mail—that there are outstanding municipal security contracts still under consideration, and that there is sensitivity to these potential contracts before the municipalities. How far is the scope

of this value-for-money contract review? Because I get that Mr. Miller's primary concern is the private contractors, but we now have municipal security contractors. Are you going to be looking at that? Because we're still not finalized.

Ms. Bonnie Lysyk: No. In prepping for the committee meeting today, I talked to the ministry and to the OPP in terms of the security contracts that we'd be looking at, and it would just be the ones that are being RFIed and RFPed outside of the municipal contracts.

Actually, my understanding is that there are two: There's the one that's been completed, and there is an RFI that was issued by the Pan Am TO2015 organizing committee just this past month. That is my understanding at this point of the scope of our review.

Ms. Soo Wong: In Mr. Miller's motion to the committee, he's asking for a value-for-money audit for all security contracts. What I'm hearing is—given the nature of the municipal security contract that's still outstanding, wouldn't it be appropriate for us to look specifically at the private contracts? Because at the end of the day, we haven't even finalized the municipal ones. How are you going to look at their contracts when you haven't finalized?

Ms. Bonnie Lysyk: Yes. I guess we were interpreting the wording as all security contracts between X and X—involving these parties—and any security contractors, excluding municipalities. The wording "security contractors," in our mind, excluded municipalities.

Ms. Soo Wong: All right. Given your comment, Auditor, I also wanted to ask for clarification in your value-for-money report. I'm going to be tabling an amendment to Mr. Miller's original motion, given your comment just now.

0920

I also want to get some clarification, because there is a lot of confusion about this Pan Am security, the value for Ontarians and what have you. Right now in the reporting, today in the Toronto Star—and I'm going to put it on record—"The final decision was a ministry decision," said Superintendent Mike McDonnell, head of the ISU." In your report on value for money, will you be looking at who made the decision? Because the statement here, it's perceived by the superintendent that it's the ministry. Will you be looking at that as well?

Ms. Bonnie Lysyk: Usually, as part of something like this, we would look at the decision and the approval process.

Ms. Soo Wong: Okay. Given your comment, Madam Auditor, Mr. Chair, I'm going to move an amendment to Mr. Miller's original motion.

The Chair (Mr. Norm Miller): Okay, go ahead and move it. Then we'll need to get it in writing.

Ms. Soo Wong: Yes, absolutely.

I move that the Auditor General conduct a value-for-money audit on the private security contract between the OPP and Contemporary Security Canada for the 2015 Pan/Parapan Am Games.

The Chair (Mr. Norm Miller): Okay, we'll take a five-minute recess to get that printed.

The committee recessed from 0926 to 0928.

The Chair (Mr. Norm Miller): We're back in session, then. I believe that—

Interjections.

The Chair (Mr. Norm Miller): Committee, we're back in session. Mr. Singh.

Ms. Wong, I believe you had a withdrawal of your motion.

Ms. Soo Wong: I understand, Mr. Chair, that I'm going to withdraw my amended motion. My colleague Mr. Balkissoon will read his amended motion to the committee.

The Chair (Mr. Norm Miller): Very well. Mr. Balkissoon?

Mr. Bas Balkissoon: Thank you, Mr. Chair. Just for committee members, Ms. Wong's motion—the amendment was written based on the previous motion that was tabled in front of the committee, and I just realized it. I would move that, in the motion by Mr. Miller, the word "all" after the word "audit on" be deleted, and then at the bottom of the motion where it says "any security contractors," that that be deleted and substituted "Contemporary Security Canada." It's pretty simple.

The Chair (Mr. Norm Miller): Any debate? Mr. Miller?

Mr. Paul Miller: One word: no.

Mr. Bas Balkissoon: This is what the auditor explained she was going to do, so—

Mr. Paul Miller: No, she wasn't going to do that. Anyway, go ahead.

Mr. Bas Balkissoon: Maybe I need to hear from the auditor, because I got the impression that it was the contract that was already completed, and the ones that are under RFI will not be audited.

The Chair (Mr. Norm Miller): Can we have a clarification from the auditor?

Mr. Paul Miller: Just a point of order before you go.

The Chair (Mr. Norm Miller): Go ahead, Mr. Miller.

Mr. Paul Miller: What you've done is isolated it to one firm. There are other firms that were in the final group—

Mr. Bas Balkissoon: No, it's the contract with them and the bidding process—

Mr. Paul Miller: No.

Mr. Bas Balkissoon: Well, let her explain.

Mr. Paul Miller: You isolated it.

Mr. Bas Balkissoon: Okay. Let her explain. I'm willing to correct it.

The Chair (Mr. Norm Miller): Let's get an explanation from the auditor.

Ms. Bonnie Lysyk: The way I had interpreted the original motion, the motion that you had before you today and what we would do around that, is, we would look at the processes that are in place in those organizations to manage from the budgeting to the final awarding of security contracts—in this case, the one awarded. We would look at the interface between those parties with respect to the second contract, which is in an RFI state. We would look at how that figures into the total money

that has been allocated for security for the Pan Am Games.

By the time we started this audit, I guess I was thinking that there would be more progress on the second one that is under way and we would also be looking at the second one, because I just read it as being “all security contracts.” So we would get a handle on what it looks like with respect to security at the Pan Am Games.

I do understand that the organizing committee itself is the one that provides all the inputs into the RFIs for both of those contracts, in terms of how many venues there are, the time of operation, the assets that need to be protected, and so I viewed both of those contracts as part of this audit.

Mr. Bas Balkissoon: Even the ones that are not assigned right now? They’re going through the process.

Ms. Bonnie Lysyk: Yes, because by the time we do this audit and by the time we finish it, I do believe they’ll be further along in that contract.

The Chair (Mr. Norm Miller): Mr. Balkissoon.

Mr. Bas Balkissoon: Well, Madam Auditor, with due respect, I don’t have a problem with what you’re saying you’re doing, because you need to audit the front-end processes. But I think the original motion leaves a lot of openings, and that’s my concern. So if we could take a 10-minute break, and you help us tighten it, that’s what I want to clarify.

The Chair (Mr. Norm Miller): Mr. Klees.

Mr. Frank Klees: Chair, I think it’s very clear that the auditor has a very good handle on the original motion and has explained to us that she understands it and that she believes she can deliver on the results of that motion.

I think what Mr. Balkissoon is trying to do is scope the intent of the original motion. We’re not prepared to accept that. I would ask you to call the question on the original motion so that we can deal with it.

The Chair (Mr. Norm Miller): Mr. Miller.

Mr. Paul Miller: I didn’t just draft this without any input from the Auditor General and also through staff and research. This was done with the understanding of what would be involved to do this whole particular audit and what scope. This was not strictly my idea. I certainly used the Auditor General’s expertise and her staff to discuss at least how we would direct this motion.

The Chair (Mr. Norm Miller): Mr. Balkissoon.

Mr. Bas Balkissoon: Chair, we have no problem with an audit being done, but from this side of the House, we want to clearly understand where that audit is going to go and what pieces will be audited. The way it is written, when you read it, it says “any security contracts for TO2015.” That could be unending. It could be until the games are finished.

I think we need, as the members on this side—and I hear Mr. Klees very clearly that I’m trying to scope it. Yes, I’m trying to scope it, based on what is done already and not what is going to come in the future.

I have no problem with the auditor doing the processes, because the Fairness Commissioner, which is part of government policy, was involved, and all the pro-

cesses rightly should be audited. I have no problem with that. But when you read “all” and “any” in legal language, there could be many interpretations. I think that when a motion is a motion, it needs to be accurate as to what the intent is. You don’t specify intent in debate.

The Chair (Mr. Norm Miller): Just a friendly reminder that we are debating your amendment to the motion, and also that the auditor, I think, has given some indication of how she is interpreting the motion of the committee.

Mr. Miller, and then Mr. Jackson.

Mr. Paul Miller: The point—maybe it can help you out—is that the auditor made it quite clear that this would probably be wrapped up by midsummer or fall, so it’s not a time-consuming situation.

Mr. Bas Balkissoon: But that’s not in the motion.

Mr. Paul Miller: I’m taking her expertise.

Secondly, you’re trying to narrow it down to one company. That’s what you’re trying to do.

Mr. Bas Balkissoon: No, I’m not.

Mr. Paul Miller: And there are more companies. One of the problems was with the bidding process and how they arrived at that company in the end. We want to know about the other companies, how the comparative analysis goes from the other companies. That’s what she’s trying to get to. By you limiting it to one company, you can’t go that way.

Mr. Bas Balkissoon: Well, if you go back to my question, Mr. Chair, my very first question to the auditor was to find out if she was going to be auditing the tender process and the judging of the tender process based on specs, based on all the other things that go into a tender—not just money. It was clearly explained that that’s what she would do. I would like to see the motion worded more clearly instead of the words “any” and “all,” because if we understand that it’s the current processes that are in place, we should say that. If we intend to review what has been done on the contract as it has been signed, I expect her to review the tenders that lost and the tender that won, and to come back and tell us that the Fairness Commissioner worked with the TO2015 team and whether they followed government policy or not.

I have a problem with the open-ended pieces that are on here, and I’m sure the auditor understands where I’m coming from. If my motion is problematic, I’m willing to take a 10-minute break, if it’s okay with the Chair, and work with the auditor to see if I could clarify that.

The Chair (Mr. Norm Miller): We have a few people who want to speak first to the motion. Mr. Jackson.

Mr. Rod Jackson: Just briefly, I think it is narrowing the scope down significantly, and I think that the Auditor General has mentioned that she has a good grip on the scope of it and has given us her interpretation of the motion, as it stands. I don’t see any problem with the original motion, minus the amendment. I think that Mr. Klees has already called for the vote; I would support that.

The Chair (Mr. Norm Miller): Mr. Miller?

Mr. Paul Miller: Call the question.

The Chair (Mr. Norm Miller): Ms. Jaczek?

Ms. Helena Jaczek: I would like to ensure that the motion that the Auditor General will be following is very, very clear. From our side, we have absolutely no difficulty whatsoever in an examination of the contract between contemporary security services Canada—I believe that is the name—and the OPP. Clearly, that is of primary interest, as we have heard it in the House, to Mr. Miller.

I do have concerns about examining a contract that is in the process of being evaluated. I would be very concerned that, perhaps, in some way, with the Auditor General asking questions, that would undermine that process. If it's somehow worded in this motion that it is limited to the process that is being undertaken between Toronto 2015 for the internal security within the venues—which is what I believe is the other contract, the other RFI that is out there now—we wouldn't have any difficulty whatsoever in terms of the fairness of the process. But we would want to make very sure that there was no involvement by the AG, in undergoing some sort of evaluation in the middle of that process, that might in some way either delay or there might be some issue in terms of being involved in that process. I can see if it was completed, but it's in the middle of a process here.

As far as we're concerned, we see one completed contract. I'm totally open to having a value-for-money audit by the AG on that contract that currently exists. I think what we're saying is that that is what we should be putting in the motion to make it very clear. It's not the AG's motion, as Mr. Klees pointed out; it is ours as a committee. I think that we need to consider the wording and be very clear on what our expectation is.

The Chair (Mr. Norm Miller): Okay, I think we're ready to vote on the amendment. All those in favour of the amendment? Okay. All those opposed? It's tied. I will vote as the Chair against the amendment to maintain the status quo, so it's defeated.

0940

Now we're back at the original motion. We're back on Mr. Miller's original motion, unamended. Any debate on that?

Ms. Helena Jaczek: Yes. It is our contention that this motion is vague. It does not give clear direction to the Auditor General. I will state again we're perfectly content with an examination of the one security contract that has been issued to date and we're totally open to the AG looking at that.

The Chair (Mr. Norm Miller): Did you wish to amend it?

Ms. Helena Jaczek: Sorry?

The Chair (Mr. Norm Miller): Did you wish to amend it?

Ms. Helena Jaczek: We would like a 10-minute recess.

The Chair (Mr. Norm Miller): Okay, a 10-minute recess—

Mr. Paul Miller: I don't think they're allowed to call a recess.

The Chair (Mr. Norm Miller): I think you're right.

Interjection: Call them back.

The Chair (Mr. Norm Miller): Sorry, hang on a second. I have to confer with my Clerk here.

I'm sorry, I didn't get the rules right there. My Clerk has just corrected me that you can't just call for a recess without having first at least moved an amendment, or some other reason. We're still debating the motion. I'll wait until you get all your members back before we call the question, in fairness to my mistake.

Mr. Frank Klees: Mr. Chairman, could we also have a recorded vote, please?

The Chair (Mr. Norm Miller): We can have a recorded vote, yes, when the time comes, but I'm going to wait for all the government members to be back, seeing as I was the one who sent away the government.

Mr. Frank Klees: Chair, we're in session?

The Chair (Mr. Norm Miller): We are in session.

Mr. Frank Klees: While we're waiting, I find it interesting that Ms. Jaczek continues to argue that there is not clear direction in the motion before us. We heard from the Auditor General—this is in the opinion of the Auditor General—that she has very clear direction, understands what the intent of the motion is and there is no confusion whatsoever.

I just would ask Ms. Jaczek why she would question the Auditor General's comments. Perhaps we could just, for Ms. Jaczek's benefit, call the question, because we know the Auditor General has told this committee now twice that she is very confident of what this motion is asking her to do, and she's prepared to do it.

The Chair (Mr. Norm Miller): No, I will not call the question until the government member is back in the room because I did indicate that there would be a recess. Ms. Jaczek?

Ms. Helena Jaczek: Yes, just in response to Mr. Klees: Of course, I have every confidence in the Auditor General and the way she conducts her audits. However, being someone who likes very plain, simple language, without any unnecessary complications, I just simply feel that the motion should reflect exactly what the Auditor General intends to do.

Mr. Paul Miller: Excuse me, Mr. Chairman?

The Chair (Mr. Norm Miller): Mr. Miller?

Mr. Paul Miller: Thank you. With all due respect to the government, I think it's quite clear what we want. It may not be clear to your liking or what you'd like to see in it, but for us and the official opposition, it's very clear. The Auditor General is quite comfortable with it, so I'm not quite sure why you're resisting it. Well, I am sure why you're resisting it, but that's beside the point. That's another story.

The bottom line is that it's quite clear, quite straightforward, quite explicit, very clear, no problem, so I don't know why you're having a problem.

Mr. Bas Balkissoon: Chair?

The Chair (Mr. Norm Miller): Mr. Balkissoon?

Mr. Bas Balkissoon: Chair, no disrespect to the auditor—I have a lot of high regard for auditors. I’ve loved them. In fact, I’ve worked with them in all my political career. In fact, I think I survived politics because I clearly understand auditors’ role and responsibilities.

My problem is that I have difficulty with the English language and how it’s interpreted by various people. Truly, the auditor is here today. I trust she’s here, but you never know what will happen next month or the month after. I am not—

Interjections.

Mr. Bas Balkissoon: I’ve seen people take motions in my political career and interpret and twist them and do everything they can possible to get what they want later on. I’m just trying to be as clear as I can in simple English language that is specific, and I’ve always learned in politics—

Mr. Paul Miller: Point of order, Chair.

The Chair (Mr. Norm Miller): Go ahead, Mr. Miller.

Mr. Paul Miller: Thank you. The bottom line is, we’re not responsible for them to have quorum. They’re responsible to have their people here and they’re delaying. We want to call the question.

The Chair (Mr. Norm Miller): I will wait till 10 minutes are up because that’s what I had said.

Go ahead, Mr. Balkissoon.

Mr. Bas Balkissoon: I’ve learned in my political career—and I’ve got to tell you, I started from nothing to where I am, and I’ve learned the words “all,” “shall,” “may” and a few others are what you call the “hook.”

Mr. Paul Miller: Well, the hook’s not in there.

Mr. Bas Balkissoon: And I’m concerned with the two words, where it says “all” and “any.”

Mr. Paul Miller: That’s not “shall” or “may.” Stall, stall—

Mr. Bas Balkissoon: And I’m being honest.

The Chair (Mr. Norm Miller): Did you want to make an amendment?

Mr. Paul Miller: Go ahead.

Mr. Bas Balkissoon: Are you accepting amendments, because I thought you said we have to vote when we were about to—

The Chair (Mr. Norm Miller): No, you can make an amendment to the motion.

Interjections.

Mr. Bas Balkissoon: Give me two seconds.

The Chair (Mr. Norm Miller): For the benefit of the members, there are three minutes until our 10 minutes are up.

I’d like to get the committee back into session. Our 10 minutes are up. Mr. Balkissoon?

0950

Mr. Bas Balkissoon: Mr. Chair, I’ll make it simple then: I will delete the word “all” after the word “audit on” and replace it with “private security contracts.”

The Chair (Mr. Norm Miller): So the second line is what is being tendered: “private security contracts.” Okay.

Any debate on that? Explanation, Mr. Balkissoon?

Mr. Bas Balkissoon: I think that will clarify what the auditor says. I’m doing this last-minute, on the fly. I’m hoping that it will clarify what is actually going to be looked at because the auditor has said she would look at the front end of all the tendering processes—rightfully so. We have concerns about all the ones that are not completed, that are in the works. We would like her to look at the process, that it’s being followed, that government policy is being followed. Our concern is the ones that are in the works: that there be very little interference in the process, but at least looking at the administrative side is okay.

The Chair (Mr. Norm Miller): Okay. Perhaps I’ll ask the auditor for clarification on that. Auditor?

Ms. Bonnie Lysyk: Could you ask your question of me again? I’m not sure I’m understanding what you’re suggesting.

Mr. Frank Klees: See, now you’re confusing things.

Mr. Bas Balkissoon: You did say that you intend to look at the actual process that TO2015 went about doing security contracts. I have no problem with that because that is something that should be audited. I have no problem that they did follow process and include the Fairness Commissioner and that you would include the work of the Fairness Commissioner that staff was doing the appropriate work.

Our concern is all of those processes that are in place and are ongoing now with the municipal sector. In our discussions, we don’t want that process to be interfered with or delayed in any way based on your work on the administrative process of TO2015 following government policy on tendering.

The Chair (Mr. Norm Miller): Go ahead, Auditor.

Ms. Bonnie Lysyk: I can assure you that, when we conduct audits out of our office, we do not interfere with any processes that are in place that deal with decisions made by the government and by the ministries and that. That never comes into play in any of the audits that we do. My understanding, just to clarify the motion—and I had interpreted it as being “private security contracts”—

Mr. Bas Balkissoon: That’s why I’m clarifying it.

Ms. Bonnie Lysyk: Yes. That was my original understanding of this.

Mr. Bas Balkissoon: So that’s why I changed the word “all” to “private.” So if you accept it, I hope Mr. Miller will be happy.

The Chair (Mr. Norm Miller): I believe Ms. Wong wanted to make a comment.

Ms. Soo Wong: I believe my colleague Mr. Balkissoon is amending the original motion from Mr. Miller just to make sure that we heard what the auditor said earlier, that she will not be looking at ISU and the hosting municipalities’ contracts currently being reviewed, the RFI. Am I correct? That way, we want to be absolutely clear which firms she’s looking at.

The Chair (Mr. Norm Miller): Did you want to comment on it?

Ms. Bonnie Lysyk: The other contract that I understand is out there is looking for a private sector contractor. It's not a contract with the municipalities.

Ms. Soo Wong: Okay.

The Chair (Mr. Norm Miller): Any further debate on the amendment?

Ms. Jaczek, did you—

Ms. Helena Jaczek: No. I simply wanted to make sure that we were not looking at the municipal contracts, and that's the reason for saying "private."

The Chair (Mr. Norm Miller): Okay. Mr. Miller, did you have any comment?

Mr. Paul Miller: If it's not in the body of the motion, then it's not part of it. Right?

The Chair (Mr. Norm Miller): Okay. Are we ready to vote on the amendment? All those in favour? Opposed? It's lost.

Okay. So we're back on the main motion put forward by Mr. Miller, and a recorded vote was asked for.

Ayes

Barrett, Gélinas, Klees, Paul Miller.

The Chair (Mr. Norm Miller): It's carried.

Thank you very much. We're done with that motion. We will go in camera to deal with report writing on Ornge.

The committee continued in closed session at 0955.

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STANDING COMMITTEE ON PUBLIC ACCOUNTS

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Ms. Mitzie Hunter (Scarborough–Guildwood L)

Mr. Frank Klees (Newmarket–Aurora PC)

Mr. Paul Miller (Hamilton East–Stoney Creek / Hamilton-Est–Stoney Creek ND)

Also taking part / Autres participants et participantes

Mr. Rod Jackson (Barrie PC)

Ms. Bonnie Lysyk, Auditor General

Clerk / Greffier

Mr. William Short

Staff / Personnel

Mr. Ray McLellan, research officer,
Research Services

Ms. Susan Viets, research officer,
Research Services

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